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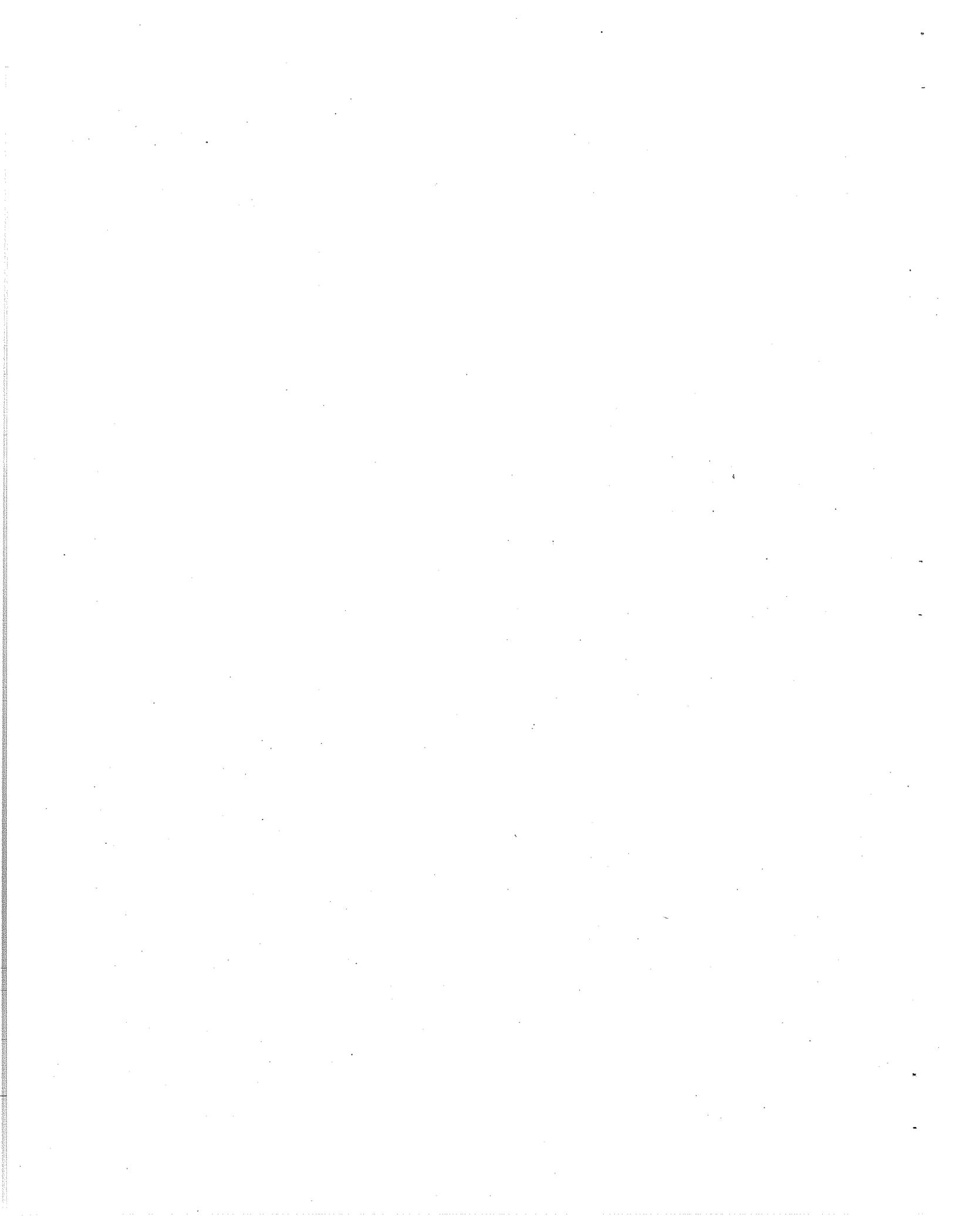
**The Home and Community-Based (HCBS)
Employee Scholarship Program**

A Report to the Minnesota Legislature

Nursing Facility Rates & Policy (NFRP) Division

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Minnesota Department of Human Services
Nursing Facility Rates and Policy (NFRP) Division

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I. Introduction

Laws of Minnesota, 2005, Chapter 4, article 8, section 47, subd. 6, requires the Commissioner of the Department of Human Services (DHS) to report to the legislature annually, beginning March 15, 2007, on the use of funds for employee scholarships for education in nursing and other health care fields.

Minnesota Statutes 2006, Chapter 3.197 required reports to the legislature to identify the cost of preparing a report. The cost of preparing this report was approximately \$1,860.00.

II. History of legislation

The Home and Community-Based Employee Scholarship program was established under Minnesota Statutes, Chapter 256B.0918, enacted in the 2005 Special Legislative Session.

The 2006 Legislature made several significant changes to this legislation. These changes included; providing a clear definition of management staff as “executive management staff without direct care duties,” reducing the medical assistance claims threshold for determining provider eligibility to participate in the scholarship program, increasing the percentage of claims to be made available for scholarship funds, and allowing funds to carry over through to 2011.

The intent of this legislation is to assist home and community based service providers in attracting, educating, and retaining employees, particularly direct care employees.

III. Implementation and Impact

Requests for Proposals (RFP)

The first Request for Proposals (RFP) for Home and Community-Based Service (HCBS) Provider Organizations to request employee scholarship funds was published in the December 12, 2005, State Register. DHS received seventeen proposals in response to this first RFP.

Contracts were signed with sixteen provider organizations by March 1, 2006, to participate in the HCBS Employee Scholarship program. Participating provider

organizations were awarded a medical assistance rate add-on of two-tenths of one percent of their eligible medical assistance claims - the maximum allowed under the law.

Subsequently, the 2006 Legislature increased the amount of the medical assistance rate add-on allowed. Existing scholarship program recipients were offered a higher rate add-on. Ten participating provider organizations requested an amendment to their contract to benefit from this increase.

The second HCBS Employee Scholarship program RFP was published in the June 19, 2006, State Register. DHS received ten proposals in response to this second RFP. Contracts were signed with these ten additional provider organizations by September 30, 2006.

Marketing Efforts

In each instance, all potential stakeholders were notified when the HCBS Employee Scholarship program RFPs were published in the State Register. Provider organizations such as Minnesota Health and Housing Alliance (MHHA), CareProviders, Minnesota Developmental Achievement Center Association (MnDACA), Association for Residential Resources in Minnesota (ARRM) and Minnesota Association for Children's Mental Health (MACMH) ran stories in their organizational newsletters and discussed the HCBS Employee Scholarship program at their local and regional meetings. In the second RFP round, all provider organization that had requested a RFP previously were notified when this second RFP was published in the State Register.

Shortly after the release of each RFP, stakeholders were invited to attend one of two bidders conference held at the Elmer L. Anderson Human Services Building. At the bidders conference stakeholders were given copies of Minnesota Statutes, 256B.0918, draft program reporting forms and a detailed description of the scholarship program. Stakeholders were later sent copies of all the questions at each bidders conference, along with the responses issued by DHS.

Scholarship Recipients

Minnesota Statutes, 256B.0918, states that scholarship recipients must work an average of at least 20 hours per week. Statute also states that registered nurses (RN), therapists, and executive management staff without direct care duties are not eligible scholarship recipients.

Data for this legislative report was compiled from report forms filed by participating providers for the report period ending 09/30/2006.

Student Characteristics

Table 1
Student Characteristics (N = 264)

Student Characteristics	%	N
Direct Care Staff	89%	236
Female	82%	216
19-30 years of age	52%	137
31-50 years of age	36%	96

Table 2
Employment Status (N = 264)

Employment Status	%	N
Full-time	75%	198
Been with employer for 1-2 years	43%	114

Course of Study

Minnesota Statutes, 256B.0918, states employee scholarships must be awarded for a course of study leading to career advancement within the field of long-term care or with the participating provider organization.

Table 3
Course of Study (N = 264)

Course of Study	%	N
Management/Leadership training	32%	85
College of Direct Support ¹	26%	68
Nursing Licensed Practical Nurse (LPN)/Registered Nurse (RN)	19%	50
Designated Coordinator (Direct care specific related coursework)	5%	12
Occupational/Physical/Speech Therapy (OT/PT/ST)	4%	10
Other	4%	10
Psychology	3%	9
Social Work	2%	6
Special Ed	2%	5
Human Services	2%	5
Certified Nursing Assistant (CNA)/Home Health Aid (HHA)	1%	3

1. University of Minnesota training program specific to direct care staff

Table 4
 Career Advancement (N = 264)

Career Advancement	%	N
Certificate	64%	169
Degree	33%	88
One-Time Bonus	27%	72
Wage Increase	7%	19

V. Testimonials/Summary

Participating provider organizations frequently stated they were grateful for the educational opportunities the HCBS Employee Scholarship program has afforded them. Funds received through the HCBS Employee Scholarship program have provided training and educational experiences employees may not have otherwise enjoyed.

Participating provider organizations stated that since the implementation of this program employees awarded scholarship funds are better able to meet consumer needs, are sharing knowledge learned with their organization, and are being promoted. Employees who received scholarship funds were asked what impact the HCBS Employee Scholarship program has had on their life. Some of their responses follow:

- “I am thirsty for greater knowledge in this area so I can become even better in my job.”
- “My family is of modest means, and I have always wanted to attend college...”
- “The scholarship I received help me so I could start to focus on what I was learning in school, and not on how I was going to pay for the next semester.”
- “Currently, I am researching and writing a paper on how direct support professionals can teach social skills to individuals with autism, an area in which our company provides support.”

VI. Financial Summary

Funds Available

The legislature appropriated \$392,000 in fiscal year 2006, \$864,000 in fiscal year 2007, \$930,000 in fiscal year 2008, and \$930,000 in fiscal year 2009. Minnesota Statutes, 256B.0918, states that at the end of each biennium, any funds not expended for the employee scholarship program shall carry over through to June 30, 2011. Because these funds will constitute the state share of medical assistance spending, federal match will allow actual total scholarships of up to \$6,232,000.

Funds Overview

Sixteen participating provider organizations were awarded a total of \$188,582 HCBS Employee Scholarship funds for March 1 through September 30, 2006. The sixteen participating provider organizations awarded employee scholarships totaling \$151,190 to 264 employees during the report period, March 1, 2006, through September 30, 2006. The average individual scholarship awarded under the HCBS Employee Scholarship program was \$573.

Fund Carry Over

The 2006 Legislature allowed all allocated HCBS Employee Scholarship funds to carry over through to 2011. For fiscal year 2006, \$145,061 were spent on implementation and administration of the HCBS Employee Scholarship program, leaving \$159,986 to be carried over.

As the HCBS Employee Scholarship program gains recognition DHS expects the number of participating provider organizations to increase. DHS plans to publish an RFP in summer 2007 and annually after that.

