

**FARIBAULT REGIONAL CENTER  
FINANCIAL AUDIT  
FOR THE THREE YEARS ENDED JUNE 30, 1991**

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**NOVEMBER 1992**

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**Financial Audit Division  
Office of the Legislative Auditor  
State of Minnesota**



# **FARIBAULT REGIONAL CENTER**

## **FINANCIAL AUDIT**

### **FOR THE THREE YEARS ENDED JUNE 30, 1991**

Public Release Date: November 13, 1992

No. 92-81

#### **OBJECTIVES:**

- **EVALUATE INTERNAL CONTROL STRUCTURE:** Cost of care reimbursements (Center ICF/MR residents, nursing home residents and community foster care group home residents), state employee payroll, and the Southern Cities Clinic receipts and disbursements.
- **TEST COMPLIANCE WITH CERTAIN FINANCE-RELATED LEGAL PROVISIONS.**

#### **CONCLUSIONS:**

We found five areas where the internal control structure needed improvement. We believe the reportable condition described in the first area is a material weakness.

- The Faribault Regional Center (Center) and the Department of Human Services (DHS) did not properly administer the cost of clients' care reimbursement program.
- The Southern Cities Clinic has an unclear organizational and fiscal structure.
- The clinic did not properly administer uncollectible accounts.
- The Center and DHS did not pursue reimbursement of all costs associated with the campus conversion from the Department of Corrections.
- The relationship between the Volunteer Council and the Center is not clearly defined.

We found one area where the Center had not complied with finance-related legal provisions:

- The Center has not established a formal process to monitor conflicts of interest for medical staff.

Contact the Financial Audit Division for additional information.  
(612) 296-1730





STATE OF MINNESOTA

**OFFICE OF THE LEGISLATIVE AUDITOR**

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JAMES R. NOBLES, LEGISLATIVE AUDITOR

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Representative Ann Rest, Chair  
Legislative Audit Commission

**Members of the Legislative Audit Commission**

Ms. Natalie Haas Steffen, Commissioner  
Department of Human Services

Mr. Jerry Lovrien, Interim Chief Executive Officer  
Faribault Regional Center

**Audit Scope**

We have conducted a financial related audit of the Faribault Regional Center for the three years ended June 30, 1991. Our audit was limited to only that portion of the State of Minnesota financial activities attributable to the transactions of the Faribault Regional Center, as discussed in the Introduction. We have also made a study and evaluation of the internal control structure of the Faribault Regional Center in effect as of March, 1992.

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial activities attributable to the transactions of the Faribault Regional Center are free of material misstatements.

As part of our study and evaluation of the internal control structure, we performed tests of the Faribault Regional Center's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

**Management Responsibilities**

The Department of Human Services is responsible for managing the activities of the Regional Centers. However, the Commissioner of Human Services has delegated various duties to the Chief Executive Officer. The management of the Faribault Regional Center is responsible for establishing and maintaining an internal control structure. This responsibility includes compliance with applicable laws, regulations, contracts, and grants. In fulfilling this responsibility, estimates and judgements by management are required to assess the

management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that:

- assets are safeguarded against loss from unauthorized use or disposition;
- transactions are executed in accordance with applicable legal and regulatory provisions, as well as management's authorization; and
- transactions are recorded properly on the statewide accounting system in accordance with Department of Finance policies and procedures.

Due to inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

## **Internal Control Structure**

For purposes of this report, we have classified the significant internal control structure policies and procedures in the following categories:

- Cost of care reimbursements:
  - Center ICF/MR residents
  - Nursing home residents
  - Community foster care group home residents
- Employee payroll,
- Southern Cities Clinic receipts and disbursements

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

## **Conclusions**

Our study and evaluation disclosed the conditions discussed in findings 1 to 5 involving the internal control structure of the Faribault Regional Center. We consider these conditions to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our

Representative Ann Rest, Chair  
Members of the Legislative Audit Commission  
Ms. Natalie Haas Steffen, Commissioner  
Mr. Jerry Lovrien, Interim Chief Executive Officer  
Faribault Regional Center  
Page 3

attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data.

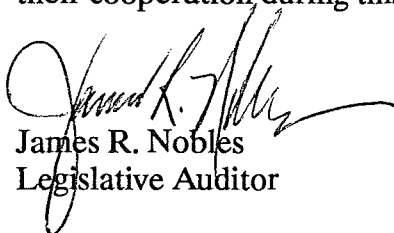
A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial activities being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We believe the reportable condition described in finding number 1 is a material weakness.

We noted other matters involving the internal control structure and its operations that we reported to the management of the Faribault Regional Center and DHS Central Office at the exit conference held on October 6, 1992.

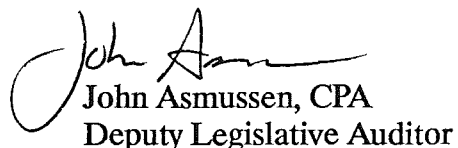
The results of our tests indicated that, except for the issues discussed in findings 1, 2, and 6, with respect to the items tested, the Faribault Regional Center complied, in all material respects, with the provisions referred to in the audit scope paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the Faribault Regional Center had not complied, in all material respects, with those provisions.

This report is intended for the information of the Legislative Audit Commission and management of the Department of Human Services and the Faribault Regional Center. This restriction is not intended to limit the distribution of this report, which was released as a public document on November 13, 1992.

We thank the Faribault Regional Center and the Department of Human Services staff for their cooperation during this audit.



James R. Nobles  
Legislative Auditor



John Asmussen, CPA  
Deputy Legislative Auditor

End of Fieldwork: May 8, 1992

Report Signed On: November 6, 1992



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## **Table of Contents**

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Introduction	Page 1
Current Findings and Recommendations	2
Agency Response	9
[The agency's response included several attachments which are not presented in this report. These attachments are available upon request.]	

### **Audit Participation**

The following members of the Office of the Legislative Auditor participated in this audit:

John Asmussen, CPA	Deputy Legislative Auditor
Renee Redmer, LPA	Audit Manager
Jack Hirschfeld, CPA	Auditor-In-Charge
Beth Hammer, CPA	Staff Auditor
Janet Knox, CPA	Staff Auditor
Jean Mellett, CPA	Staff Auditor

### **Exit Conference**

The findings and recommendations in this report were discussed with the following staff of the the Department of Human Services and the Faribault Regional Center on October 6, 1992:

#### **Department of Human Services:**

Natalie Haas Steffen	Commissioner
James Stoebner	Assistant Commissioner
Charles Schultz	Assistant Commissioner
Tom Sherwood	Financial Management
Al Rasmussen	Reimbursement Officer
Ralph Jensen	Reimbursement Officer
Terry Anderson	Operations Manager

#### **Faribault Regional Center:**

Jerry Lovrien	Interim Chief Executive Officer
Bridget Stroud	Assistant Administrator
Rick Hallanger	Business Manager
Roger Golden	Residential Program Manager
Joan Warmington	Operations Manager
Rhonda Mulder	Administrator - Southern Cities Clinic



## Faribault Regional Center

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### Introduction

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The Faribault Regional Center is a public residential facility serving the developmentally disadvantaged in a 13 county area in southeastern Minnesota. The center operates a licensed intermediate care facility (ICF/MR) and a certified nursing home. The center provides residential and specialized services to individuals who cannot be served in a community center. The center is under the general management of the Commissioner of Human Services and the immediate supervision of a Chief Executive Officer appointed by the Commissioner. William Saufferer was the Chief Executive Officer from March 19, 1985 to July 15, 1992. Jerry Lovrien was appointed as the interim Chief Executive Officer on July 15. The center has an authorized staff complement of 885. The average daily population of the center was 515, 502, and 469 for the years ended June 30, 1989, 1990, and 1991, respectively.

The Faribault Regional Center also administers four state-operated community foster group homes located in Byron, Dodge Center, Farmington, and Faribault. Two state operated community service (SOCS) group homes opened in 1992 and are administered by the Faribault Regional Center. In December 1990 the state opened the Southern Cities Community Health Clinic as a pilot project. The Department of Human Services (DHS) central office supervises the clinic; however, the center provides staffing and some indirect supervision.

DHS is responsible for maintaining, controlling, and transferring the necessary state appropriations to the center accounts. General Fund appropriations are used mainly for the residential facility operations. However, the appropriations are also used to supplement receipts collected by the group homes and the clinic.

Receipts collected for the residents' care for the ICF/MR and the nursing home totalled \$37,350,000 and \$825,000 for 1991. Community foster group homes deposits were \$787,000 for 1991. Southern Cities collected receipts of \$39,000 in 1991. The expenditures for Faribault Regional Center shown on the Statewide Accounting System, Manager's Financial Reports as of the close for each fiscal year are shown below:

	<u>1991</u>	<u>1990</u>	<u>1989</u>
Employee Payroll	\$36,088,000	\$32,294,000	\$30,590,000
Other Expenditures	<u>3,911,000</u>	<u>5,098,000</u>	<u>2,798,000</u>
Total Expenditures	<u>\$39,999,000</u>	<u>\$37,392,000</u>	<u>\$33,388,000</u>

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## Current Findings and Recommendations

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**1. The Faribault Regional Center and the Department of Human Services did not properly administer the cost of clients care reimbursement programs.**

The Faribault Regional Center (center) and the Department of Human Services (DHS) did not properly manage the rates assessed and revenue collections for its client services. We cited several problems in administering the cost of care reimbursement programs.

- The center and DHS failed to seek the necessary certification to allow the maximum federal reimbursement for the care of its residential nursing home clients.
- The Medicaid Program was inappropriately charged for residents transferring between the main facility and the nursing home.
- The rate for the main facility erroneously included costs to operate the foster care community group homes.
- The operation of the Southern Cities Clinic has been structured in a manner which results in erroneously inflating the cost of care rates. This issue is discussed as part of finding #2.

The center and DHS failed to pursue certification of the residential nursing home as an ICF/MR facility; thus, the state forfeited approximately \$1,000,000 annually in federal revenue from the Medicaid Program. Correspondence related to this issue indicates that the department knew that the center's nursing home was eligible for ICF/MR certification, but it failed to take the appropriate action. The 35 bed nursing home is certified as a skilled nursing facility which limits the daily Medicaid reimbursement to \$84. If the nursing home was certified as an ICF/MR facility, the current daily reimbursement rate would increase to \$271. Because the center and DHS failed to pursue the proper certification, the state lost a significant amount of revenue.

Incorrect rates were billed to the Medicaid Program for clients transferring between the main facility and the nursing home. In most cases the daily rate of \$271 was charged instead of \$84 for clients that transferred to the nursing home. During fiscal years 1989 to 1992, the center overcharged \$216,000 for nine clients and undercharged \$2,000 for two clients. The Reimbursement Division's computer system prepares the monthly billings for the center based on original locations. However, the system does not track transfers between the two facilities nor does it adjust for changes in the rate. The center's reimbursement office also

## Faribault Regional Center

does not check the propriety of monthly billings to the locations shown on the center's census records. Therefore, no adjustment had been made for clients transferring between the facilities to account for the difference in the rates and to ensure the propriety of the billings.

Administrative services provided by the center to the foster care community group homes were erroneously included in the rate assessed for the main ICF/MR facility. The center provided administrative services to the group homes and included these costs in its ICF/MR rate charged to residents in the main facility. Costs incurred on behalf of the homes include the salaries of the director of the group homes, accounting and other administrative services. The center has not established a system to properly allocate costs to the group homes. As a result, Medicaid and other payor sources were overcharged for these costs. Expenses to operate the group homes are not allowable costs in determining the ICF/MR rate for the main facility.

### *Recommendations*

- *The center and DHS should apply for the ICF/MR certification for the nursing home to maximize earnings of federal revenue for the state.*
- *The center and DHS should establish a system to properly account for residents transferring between the main facility and the nursing home. The cost of care rates should be adjusted accordingly. The overcharges of \$216,000 and undercharges of \$2,000 to the Medicaid Program should be resolved.*
- *The center and DHS should establish a system to allocate administrative costs to the group homes. Incorrect charges to Medicaid and other payor sources should be determined and resolved.*

## **2. The Southern Cities Clinic has an unclear organizational and fiscal structure.**

The Southern Cities Clinic has encountered financial problems because its administrative structure is unclear and its funding mechanisms are uncertain. The organizational structure of the clinic lacks clarity since both DHS and center staff provide management support. Since the clinic is not self-supporting it relies on the center for financial and administrative support. The clinic has billed Medicaid for client services; although, it is not organizationally and financially independent as required by federal regulations governing medical clinics. The support services provided by the center to the clinic were erroneously included in the ICF/MR rate for the main facility. The clinic has not established a proper funding mechanism to continue operations without state support.

The clinic is dependent on the center for financial and administrative support to continue its operations. The center provided medical and other administrative services to the clinic since it opened in December 1990. Salary costs for medical staff allocated to the clinic for

## Faribault Regional Center

the 16 months since its inception totaled \$294,000. Medical staff services and hours per week provided to the clinic are specified in a formal agreement. However, the agreement does not specify a method of reimbursement for these services. The center also provides accounting, purchasing, and other administrative support to the clinic which has not been reimbursed.

The operation of the clinic has been structured in a manner which results in erroneously inflating the cost of care rates. The medical and administrative services provided by the center to the clinic were inappropriately included in the center's cost of care rate for the main ICF/MR facility. This inflates the ICF/MR rate charged by the center, since the clinic also bills Medicaid and other payor sources for the services that it provides.

The clinic has relied on Medicaid reimbursements for its client services; however, it is not an eligible provider under federal regulations. The clinic has inappropriately billed Medicaid for \$64,000 in fees for client services since it opened. The clinic is not eligible to bill the Medicaid Program for services because it is not organizationally and financially independent from the center. Since the center provided over two-thirds of the operating costs of the clinic for fiscal year 1991, the clinic is not fiscally independent. Federal regulations specify that medical clinics cannot be affiliated with hospitals or long term care facilities to qualify for Medicaid reimbursements. 42 CFR 440.90 stipulates that medical clinics should be operationally, organizationally, and financially independent from other facilities. Because the clinic is not independent of the center, it is not an eligible Medicaid provider. Therefore, Medicaid reimbursements are not an appropriate source of revenue to fund clinic activities if the clinic continues to rely on the center for administrative and financial support.

Because of the fiscal problems, the clinic and DHS need to address the future administrative and fiscal structure of the clinic. Since the clinic is not an eligible Medicaid provider, other financial support is needed to continue its operations.

### *Recommendations*

- *The clinic and DHS should clarify the administrative and fiscal structure of the clinic.*
- *The center and DHS should adjust the cost of care rate for the center's main ICF/MR facility to subtract support services provided to the clinic. Overcharges to Medicaid and other payor sources should be resolved.*

### **3. The Southern Cities Clinic did not properly administer uncollectible accounts.**

The clinic has no policy for the recognition and collection of overdue accounts. As of March 1992, the clinic records showed \$46,000 in accounts receivable, with accounts totaling \$10,500 over 90 days old. The accounts receivable total is overstated because the clinic

## Faribault Regional Center

does not have a procedure to remove unreimbursable amounts. The clinic bills Medicaid for services provided; however, the clinic does not always collect an amount equal to the amount billed. The amount that is not collected is shown in the accounts receivable.

The clinic does not have a collection policy, and has not made a consistent effort to collect the overdue accounts. The clinic should establish policies and procedures to collect overdue accounts, with collection procedures based on the age of the overdue accounts. Incorporating the aging of accounts into the collection procedures would provide for more effective collection procedures and would also allow for the analysis of these accounts on a more regular basis.

### *Recommendation*

- *The clinic should establish policies and procedures to identify the actual accounts receivable amounts, and for the collection of overdue accounts.*

#### **4. The Faribault Regional Center and DHS did not pursue reimbursement of all costs associated with the campus conversion from the Department of Corrections.**

The center and DHS did not pursue reimbursement of all costs associated with the transfer of buildings to the Department of Corrections. The center incurred about \$2 million in reimbursable costs during the conversion of the center to a shared campus with the Department of Correction's medium security facility. These costs were incurred as part of a funding agreement between the Departments of Human Services and Corrections. Corrections agreed to provide funds to renovate center residential buildings for clients displaced during the campus conversion process. The departments established an initial agreement and a subsequent amendment for funding totaling \$1,391,000.

DHS did not seek a final amendment from Corrections to recover the additional \$609,000 in expenses to renovate its buildings. The Department of Corrections had sufficient funds and was able to reimburse the center for all costs incurred in the conversion. DHS allocated repair and betterment project funds to cover the additional costs. Potentially, DHS could have completed other projects with these funds.

The center may be involved in future transfers of buildings to Corrections. DHS and the center should ensure that funding agreements with Corrections provide for the complete reimbursement of costs associated with the campus conversion.

### *Recommendation*

- *The center and DHS should seek the total reimbursement of costs from Corrections for future campus conversion projects.*

## Faribault Regional Center

### 5. The relationship between the Volunteer Council and the center is not clearly defined.

The activities of the Volunteer Council and the center are not separate and distinct. The council is a nonprofit organization established to supplement programs and services for clients of the center. As of December 31, 1991, the council had a balance of \$38,000 available to supplement activities of the center.

The lack of distinction between activities of the council and the center are evidenced by several circumstances:

- The community services director, an employee of the center, uses a center office to provide services for the council. The bylaws of the council lists the principle office of the corporation as the center.
- The director collects and deposits receipts for the council. This deposit process includes checks received by the center indicating the center, the council or other related payees as the recipient.
- The council provides an imprest cash fund for some resident activities, and use of these funds is approved by the director.
- The center provides a building for the collection of donated items by the general public. The "receipt for donation form" issued by the center and signed by the center employee to acknowledge the donated goods lists the council as the recipient.

The council's lack of autonomy may cause confusion for donors because they may not readily be able to identify whether they are dealing with the center or the council. The center is depositing all gifts and donations into the councils' accounts. It is important that donors know to whom their money is going directly and indirectly, and the flow and use of such funds.

The activities of the council and the center should be defined in a written agreement. The council's board members should establish policies and make the spending decisions. The activities between the center and the council should be based on arms length transactions.

### *Recommendations*

- *The center should make clear to potential donors whether the center or the council is actually soliciting or receiving the funds, and to whose account those contributions will be deposited when received.*
- *A written, formal agreement between the council and the center providing for cost benefits to the state should be signed, stating each organizations rights and obligations.*

## Faribault Regional Center

### **6. The center has not established a formal process to monitor conflicts of interest for medical staff.**

The center does not have a conflict of interest policy which specifies the process to report and resolve potential conflicts of interest. Managers at the center have not reviewed medical employees outside employment and resolved any potential conflicts of interest. Also, as of January 1992, the center had not submitted any conflict of interest determinations to the DHS Personnel Division. DHS residential manual policy 2101-D-3 requires residential facilities to forward copies of determinations concerning a conflict of interest regarding outside employment to the DHS personnel director.

The center currently has a conflict of interest policy. A handbook is given to new employees during orientation which includes a copy of Minn. Stat. Section 43A.38, the code of ethics for employees in the executive branch. However, the policy does not include the resolution of conflict of interest determinations. The policy also does not inform employees that DHS has developed procedures for reviewing conflict of interest situations.

We found that some psychologists treat former center clients in their private practice. The center allows psychologists to work various scheduled hours and balance their hours to accommodate their private practice. Psychologists also participate in discussions regarding community placement of clients. These situations create a potential conflict of interest in several ways as defined in the code of ethics for employees in the executive branch, Minn. Stat. Section 43A.38, Subd. 6(b). The psychologists have the opportunity to use their position to enhance their private practice. The psychologists could treat private patients while employed at the clinic, or they could treat center clients in their private practice.

### *Recommendations*

- *The center should revise its conflict of interest policy to meet the statutory requirements.*
- *The center should educate employees regarding potential conflicts of interest, document resolution of potential conflicts of interest, and forward copies of determination to DHS.*





*State of Minnesota*  
***Department of Human Services***

Human Services Building  
444 Lafayette Road  
St. Paul, Minnesota 55155

November 3, 1992

Mr. James R. Nobles  
Legislative Auditor  
Centennial Office Building  
658 Cedar Street  
St. Paul, Minnesota 55155

Dear Mr. Nobles:

The purpose of this letter is to provide the Department of Human Services (DHS) response to the preliminary audit report for Faribault Regional Center (FRC) covering the three years ended June 30, 1991. The Department appreciates the assistance provided by the Office of the Legislative Auditor in identifying the potential need for strengthening internal controls and procedures. The following corrective actions are being implemented in response to each of the audit findings and recommendations.

**Audit Finding #1:** The FRC and the DHS did not properly administer the cost of clients care reimbursement programs.

**Recommendation:** The center and DHS should apply for the ICF/MR certification for the nursing home to maximize earnings of federal revenue for the State.

**Response:** The audit report states that the Department "failed" to seek necessary certification to obtain maximum federal reimbursement for the cost of client care in the nursing home unit. However, as the attached letter to the Minnesota Department of Health attests, the Department did seek approval as early as August 1985 to change the licensure/certification of this unit from Nursing Home/Skilled Nursing Facility to Supervised Living Facility-Class B/Intermediate Care Facility-Mentally Retarded. As the attached response from the Health Department indicates, the request was denied in January 1986, because Department of Health surveyors believed the residents in this unit require skilled care.

The letter of denial does not indicate that the certification part of the Department's request can be addressed as a separate issue. In fact, it is our understanding that there are only two NH/ICF-MR licensure/certification combinations in the entire state.

Therefore, the Department was of the belief that the level of care required by clients in the nursing home unit precludes the unit from being relicensed and/or recertified. In addition, legislation enacted by the 1991 Legislature (Laws of Minnesota for 1991, Ch. 292, Art. 1, Sec.2, Subd. 8) requiring the Department to maintain a nursing home unit at FRC reinforced the belief that the licensure/certification could not be changed.

We appreciate the efforts of your staff in obtaining clarification that the unit can be certified as ICF-MR without a change in its licensure status. Enclosed is a copy of the application for ICF-MR certification that was submitted to the Department of Health on October 30, 1992.

**Recommendation:** The center and DHS should establish a system to properly account for residents transferring between the main facility and the nursing home. The cost of care rates should be adjusted accordingly. The overcharges of \$216,000 and under charges of \$2,000 to the Medicaid Program should be resolved.

**Response:** The Medicaid Program was corrected for the two effected clients in September, 1992 and both the F.Y. 1991 and F.Y. 1992 year end cost settlement reports are being amended to reflect the correct number of client days. As the attached agreement between FRC Medical Records Section and the Reimbursement Division demonstrates, a process is now in place to properly account for resident transfers.

**Recommendation:** The center and DHS should establish a system to allocate administrative costs to the group homes. Incorrect charges to Medicaid and other payor sources should be determined and resolved.

**Response:** This recommendation will be fully implemented when FRC becomes a part of the regional treatment center (RTC) cost accounting system. Projected implementation date is July 1, 1993. Responsible persons are Rick Hallenger, FRC Business Office Manager, and Al Rasmussen, Reimbursement Division.

**Audit Finding #2: The Southern Cites Clinic has an unclear organizational and fiscal structure.**

**Recommendation:** The clinic and DHS should clarify the administrative and fiscal structure of the clinic.

**Response:** The Department is attempting to meet the need for clinic services for an increasing community-based population of persons with developmental disabilities. The provision of these services, whether by public or private entities, is crucial to RTC downsizing of this population.

The Department is working with the Departments of Finance and Health to clarify the clinic administrative and fiscal structure. The intention is to further document the demonstrated need for services provided by the clinic, ensure continued provision of these services in the region, and if the policy decision is to seek federal designation in order to obtain cost based reimbursement, explore private sponsorship.

Resolution of this issue is projected by July 1, 1992, and the responsible person is Terry Anderson, Residential Program Management Division.

**Recommendation:** The center and DHS should adjust the cost of care rate for the center's main ICF/MR facility to subtract support services provided to the clinic. Overcharges to Medicaid and other payor sources should be resolved.

**Response:** This recommendation will be fully implemented when FRC becomes a part of the RTC cost accounting system. In the mean time both the F.Y. 1991 and F.Y. 1992 year end cost settlement reports are being amended to reflect support costs provided to the clinic. Projected implementation date is July 1, 1993. Responsible persons are Rick Hallenger, FRC Business Office Manager, and Al Rasmussen, Reimbursement Division.

**Audit Finding #3: The Southern Cities Clinic did not properly administer uncollectible accounts.**

**Recommendation:** The clinic should establish policies and procedures to identify the actual accounts receivable amounts, and for the collection of overdue accounts.

**Response:** By December 31, 1992, the clinic Director and Office Services Director will establish an accounts receivable aging process, develop collection policies and procedures, implement collection actions for outstanding accounts, and identify non reimbursable costs and uncollectible accounts.

**Audit Finding #4: The FRC and DHS did not pursue reimbursement of all costs associated with the campus conversion from the Department of Corrections:**

**Recommendation:** The center and DHS should seek the total reimbursement of costs from Corrections for future campus conversion projects.

**Response:**

The Department's approach to this project is that of a mutually beneficial joint venture with the Department of Corrections (DOC) to convert excess treatment center capacity into medium security prison space in accordance with legislative intent,

thereby saving the State millions of dollars by avoiding the need for more expensive new prison construction. In addition to operating savings resulting from the reduction in excess capacity, residents are directly benefiting (i.e., moving day programs off campus is in keeping with Department objectives to integrate clients into community life and is being implemented at other campus where prison development is not occurring.

The Department is not aware of additional DOC funds being available beyond those identified in the interagency agreement. However, if a similar situation arises in the future, the Department will seek clarification of legislative intent with respect to the allocation of costs between the two agencies.

**Audit Finding #5: The relationship between the Volunteer Council and the center is not clearly defined.**

**Recommendation:** The center should make clear to potential donors whether the center or the council is actually soliciting or receiving the funds, and to whose account those contributions will be deposited when received.

**Response:** FRC Regulation #1432 (Donated Funds and Materials - Volunteer Council/Auxiliary) was issued on October 26, 1992, to clarify the relationship between FRC and the Volunteer Council. The regulation also clarifies the appropriate disposition of contributions. Bridget Stroud, Assistant Administrator, will be responsible for developing appropriate procedures to assure potential donors are aware of whether FRC or the Volunteer Council is soliciting funds and into whose account contributions will be deposited.

**Recommendation:** A written formal agreement between the council and the center providing for cost benefits to the State should be signed, stating each organizations rights and obligations.

**Response:** By January 1, 1992, FRC's Assistant Administrator, Bridget Stroud, will develop and execute a written agreement with the Volunteer Council clarifying each organizations rights and obligations.

**Audit Finding #6: The center has not established a formal process to monitor conflicts of interest for medical staff.**

**Recommendation:** The center should revise its conflict of interest policy to meet the statutory requirements.

**Response:** FRC Regulations #2112 (Standards of Conduct) and #2113 (Standards of Conduct - Outside Employment) were updated and reissued on October 1, 1992, to meet the statutory requirements of Minnesota Statutes (1990), Section 43A.38. Subd. 6(b).

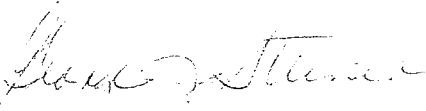
Mr. James R. Nobles  
Page 5  
November 3, 1992

**Recommendation:** The Center should educate employees regarding potential conflicts of interest, document resolution of potential conflicts of interest, and forward copies of determination to DHS.

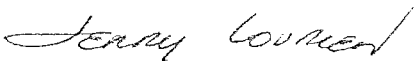
**Response:** New employees will receive orientation training on potential conflicts of interest and on going inservice training will be provided to assure employees are updated periodically on FRC's regulations governing conflict of interest. The FRC Personnel Director is responsible for documenting resolution of potential conflicts of interest and forwarding copies to the central office personnel section in accordance with FRC Regulations #2112 and #2113.

Thank you again for your assistance in improving internal controls. Please advise if you require further clarification regarding the Department's responses.

Sincerely,



NATALIE HAAS STEFFEN  
Commissioner



JERRY LOVRIEN  
Interim Chief Executive Officer  
Faribault Regional Center

Enclosure





STATE OF MINNESOTA  
DEPARTMENT OF HUMAN SERVICES  
FARIBAULT STATE HOSPITAL  
FARIBAULT, MINNESOTA 55021  
(507) 332-3000

August 23, 1985

Ms. Carol Hirschfeld  
Licensure Department  
Minnesota Department of Health  
717 S.E. Delaware Street  
P.O. Box 9441  
Minneapolis, Minnesota 55440



Dear Ms. Hirschfeld:

On August 14, 1985, we received re-licensure forms for the Skilled Nursing Facility at Faribault State Hospital. The current license expires October 28, 1985.

Based on input from our staff, the Residential Facilities Division of the Department of Human Services, DHS Rule 34 licensing staff, and Health Department Licensing and Certification surveyors, we desire to change the licensure of the Skilled Nursing Facility to SLF/Class B. Persons consulted indicate that the present SNF license requires a level of service that is unnecessary; requires a level of compliance that exceeds resident benefit; and finally that the needs of the residents would more appropriately be met in a facility licensed as a SLF/Class B, licensed under Rule 34, and certified as an ICF/MR.

In order to achieve this change we would adjust licensure as follows:

- 1) Linden Building, presently licensed and certified for 60 SLF/B, ICF/MR beds, is being discontinued for residential use October 1, 1985. This discontinuance is based on population decreases and a determination not to renovate Linden beyond Life Safety requirements.
- 2) 35 of the Linden licensed/certified beds would be transferred to cover the former SNF.
- 3) Other Linden beds would be transferred to increase beds in buildings where beds have been reduced on an in-house basis below authorized license/certification levels. The purpose of this is to provide flexibility as the population declines, and as building usage for residential living is consolidated.
- 4) 18 ICF/MR and 35 SNF beds would be released for decertification.
- 5) The 1986 operating license for the SLF/B, ICF/MR would be adjusted on application to achieve the above in addition to possible bed reductions in Elm, Hickory and Seneca. These buildings are scheduled for renovation beginning in late 1985, which will reduce bed capacity slightly to conform to remodeled space.

August 23, 1985

Following is a list of buildings:

<u>Building</u>	<u>Present SLF/B Licensure/Certification</u>	<u>Present Occupancy</u>	<u>Proposed Licensure/Certification</u>
West	28	26	28
Osage	48	47	48
Laurel	27	19	27
Poppy	43	38	43
Holly	54	37	54
Willow	56	50	58
Birch	48	42	48
Spruce	44	40	44
Cedar	48	36	48
Pine	44	38	44
Maple	50	48	50
Hickory	56	52	58
Elm	56	50	58
Seneca	56	46	57
Hospital 2	(35 SNF)	29	35
Linden	60	40	-
	<hr/> 718	<hr/> 638	<hr/> 700

Yours truly,

W. C. Saufferer  
Chief Executive Officer

/jn

cc: James Walker, DHS

file  
January 21, 1986

Mr. W. C. Saufferer  
Chief Executive Officer  
Faribault State Hospital  
Faribault, Minnesota 55021

Dear Mr. Saufferer:

This pertains to your letter dated August 23, 1985, in which you request a reclassification of the 35 Nursing Home/Skilled Nursing Facility beds to Supervised Living Facility-Class B/Intermediate Care Facility-Mentally Retarded. You state that the Residential Facilities Division of the Department of Human Services, the Rule 34 surveyors, and the Department of Health surveyors gave input indicating the skilled level was unnecessary. The Department of Health surveyors from Mankato District Office stated they did not feel that skilled care is unnecessary but indicated it was necessary for the type of residents housed in the unit.

Our survey results over the last few years show very heavy skilled care patients reside in this area. For example, it is staffed with licensed nurses 24 hours a day, i.e., one registered nurse on each tour of duty and anywhere from three to seven licensed practical nurses. Skilled care needs include positioning; assistance with eating, ambulation, and mobility; catheter care; incontinence; and thirty (30) residents requiring special skin care. These needs are mainly nursing care needs with very little emphasis on programming. Therefore, we are denying the reclassification as you requested to SLP-B, ICF/MR.

Since this denial will affect your proposal for the number of SLP-B beds per building, please furnish us with a revised list of the number of beds requested per building for your 1986 license.

Please contact me at (612) 623-5445 if you have questions regarding this matter.

Sincerely,

  
Judith A. Vierling, RN  
Assistant Section Chief  
Health Resources Division

JAV:gs

cc: Department of Human Services

Attn: Charlene Seavey, Supervisor, Utilization Control Unit

Attn: Cheryl Nyhus, Supervisor, Licensing Division

Attn: James Walker, Director, Residential Facilities Division

Gerald Larson, Survey and Review Unit Supervisor, Mankato District Office



*State of Minnesota*  
***Department of Human Services***

Human Services Building  
444 Lafayette Road  
St. Paul, Minnesota 55155

October 30, 1992

Ms. Carol Hirschfeld  
Health Resources Division  
Minnesota Department of Health  
303 North Dunlap Street  
P.O. Box 64900  
St. Paul, Minnesota 55164-0900

Dear Ms. Hirschfeld:

Enclosed are the application forms requesting that certification for the licensed nursing home unit at Faribault Regional Center be changed from SNF/NF to ICF/MR. In addition, I am notifying you that Faribault Regional Center has vacated the Willow and Birch Units, and has transferred these buildings to the Department of Corrections. Therefore, Faribault Regional Center's license should be amended to show a reduction of 102 beds, and certification status should be amended to reflect a reduction of 67 beds. Specifically, Willow (54 beds) and Birch (48 beds) are removed from the license and certification, and the nursing home (35 beds) is added to the certification.

Please notify me if you require further information. I request that these changes be made as soon as the necessary procedures can take place.

Sincerely,

A handwritten signature in cursive script, appearing to read "Frances Bly".

Frances Bly, Clinical Manager  
Residential Program Management Division

## LONG-TERM CARE FACILITY REQUEST FOR CERTIFICATION

IN THE MEDICARE AND/OR MEDICAID PROGRAM  
(PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM.)

FISCAL YEAR ENDING DATE

06/30/93

<b>I</b> IDENTIFYING INFORMATION	NAME OF FACILITY	STREET ADDRESS		MEDICARE/MEDICAID PROVIDER NUMBER	STATE VENDOR NO.
	Faribault Regional Center	802 Circle Drive		(N1) [REDACTED]	[REDACTED]
	CITY, COUNTY, AND STATE	ZIP CODE	TELEPHONE NUMBER (Including Area Code)	STATE/COUNTY CODE	STATE REGION CODE
	Faribault, Rice, Minnesota	55021	(N7) (507) 332-3000	(N3) 66	(N4)
<b>II</b> TYPE OF FACILITY (SEE INSTRUCTIONS)	A. 01 SKILLED NURSING FACILITY (SNF) 02 INTERMEDIATE CARE FACILITY (ICF) 03 SNF/ICF 04 INTERMEDIATE CARE FACILITY FOR THE MENTALLY RETARDED (ICF/MR) (N14) 04		B. IS THIS FACILITY HOSPITAL BASED? 01 YES 02 NO (N5) 02 IF YES, INDICATE HOSPITAL PROVIDER NUMBER (N8) _____		C. IF "01" OR "03" IN A. IS SELECTED, INDICATE THE TYPE OF PROGRAM PARTICIPATION REQUESTED:  01 MEDICARE 02 MEDICAID 03 BOTH (N13) [ ]
	VOLUNTARY NON PROFIT 01 CHURCH 02 PRIVATE 03 OTHER SPECIFY _____		04 PROPRIETARY  (N15) 06		GOVERNMENT 05 FEDERAL 06 STATE 07 LOCAL
<b>IV</b> SERVICES PROVIDED (PLACE A '1', '2', or '3' IN THE BLOCK)  SEE INSTRUCTIONS	01 [1] NURSING		07 [1] SOCIAL SERVICES		13 [1] DENTISTRY
	02 [2] PHYSICAL THERAPY		08 [1] PATIENT ACTIVITIES		14 [2] PODIATRY
	03 [2] OUTPATIENT PHYSICAL THERAPY		09 [1] PHARMACY		15 [2] OPHTHALMOLOGY
	04 [1] OCCUPATIONAL THERAPY		10 [3] CLINICAL LABS		16 [1] PSYCHOLOGICAL SERVICES
	05 [1] SPEECH PATHOLOGY		11 [3] DIAGNOSTIC X-RAY		17 [1] DIETARY SERVICES
	06 [1] OUTPATIENT SPEECH PATHOLOGY (N16)		12 [2] ADMINISTRATION AND STORAGE OF BLOOD		18 [1] HOUSEKEEPING SERVICES
					19 [ ] OTHER
<b>V</b> NUMBER OF EMPLOYEES (FULL-TIME EQUIVALENTS) SEE INSTRUCTIONS	1. REGISTERED NURSES (N17) [ ][ ][ ] 8 0 1		3. NURSES AIDES/ORDERLIES (N12) [ ][ ][ ][ ][ ]		
	2. LICENSED PRACTICAL/VOCATIONAL NURSES (N18) [ ][ ][ ] 2 7 5 5		4. DIRECT CARE PERSONNEL (ICFs/MR only) (N19) [ ][ ][ ][ ][ ]		
			5. ALL OTHER PERSONNEL (N27) [ ][ ][ ] 18 90		

WHOEVER KNOWINGLY AND WILLFULLY MAKES OR CAUSES TO BE MADE A FALSE STATEMENT OR REPRESENTATION ON THIS STATEMENT MAY BE PROSECUTED UNDER APPLICABLE FEDERAL OR STATE LAWS. IN ADDITION, KNOWINGLY AND WILLFULLY FAILING TO FULLY AND ACCURATELY DISCLOSE THE INFORMATION REQUESTED MAY RESULT IN DENIAL OF A REQUEST TO PARTICIPATE OR, WHERE THE ENTITY ALREADY PARTICIPATES, A TERMINATION OF ITS AGREEMENT OR CONTRACT WITH THE STATE AGENCY OR THE SECRETARY, AS APPROPRIATE.

I CERTIFY THAT THE ADMINISTRATIVE AND PROCEDURAL REQUIREMENTS CONTAINED IN 42 CFR, SUBPART K (CONDITIONS OF PARTICIPATION FOR SKILLED NURSING FACILITIES) AND/OR 42 CFR SUBPART F (STANDARDS FOR INTERMEDIATE CARE FACILITIES) THAT WERE REVIEWED DURING THE LONG-TERM CARE SURVEY OF \_\_\_\_\_ HAVE NOT BEEN SUBSTANTIVELY ALTERED, REVISED, OR MODIFIED. I FURTHER CERTIFY THAT I WILL NOTIFY MN Dept. of Health IF THERE ARE ANY "SUBSTANTIVE CHANGES IN FACILITY MANAGEMENT AND OPERATION" THAT SIGNIFICANTLY AFFECT POLICIES AND PROCEDURES AND THAT NOTICE WILL BE GIVEN IN WRITING BEFORE THE EFFECTIVE DATE OF THE CHANGE.

SIGNATURE OF AUTHORIZED OFFICIAL

TITLE

DATE

Assistant Commissioner

10/30/92  
(N28)

**ASSURANCE OF COMPLIANCE WITH THE DEPARTMENT OF  
HEALTH AND HUMAN SERVICES REGULATION UNDER  
TITLE VI OF THE CIVIL RIGHTS ACT OF 1964**

Faribault Regional Center (hereinafter called the "Applicant")  
Name of Applicant (type or print)

HEREBY AGREES THAT it will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 C.F.R. Part 80) issued pursuant to that title, to the end that, in accordance with Title VI of that Act and the Regulation, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Applicant receives Federal financial assistance from the Department; and HEREBY GIVES ASSURANCE THAT it will immediately take any measures necessary to effectuate this agreement.

If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Applicant by the Department, this Assurance shall obligate the Applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is so provided, this Assurance shall obligate the Applicant for the period during which it retains ownership or possession of the property. In all other cases, this Assurance shall obligate the Applicant for the period during which the Federal financial assistance is extended to it by the Department.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts or other Federal financial assistance extended after the date hereof to the Applicant by the Department, including installment payments after such date on account of applications for Federal financial assistance which were approved before such date. The Applicant recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this Assurance, and that the United States shall have the right to seek judicial enforcement of this Assurance. This Assurance is binding on the Applicant, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this Assurance on behalf of the Applicant.

Date 10/30/92

Faribault Regional Center

Applicant (type or print)

By James B. Attebner  
Signature and Title of Authorized Official

Assistant Commissioner

## DISCLOSURE OF OWNERSHIP AND CONTROL INTEREST STATEMENT

### I. Identifying Information

(a) Name of Entity Faribault Regional Center	D/B/A	Provider No. [REDACTED]	Vendor No. [REDACTED]	Telephone No. 507/332-3000
Street Address 802 Circle Drive	City, County, State Faribault, Rice, Minnesota		Zip Code 55021	

(b) (To be completed by HCFA Regional Office) Chain Affiliate No. ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ LB1

II. Answer the following questions by checking "Yes" or "No". If any of the questions are answered "Yes", list names and addresses of individuals or corporations under Remarks on page 2. Identify each item number to be continued.

- A. Are there any individuals or organizations having a direct or indirect ownership or control interest of 5 percent or more in the institution, organizations, or agency that have been convicted of a criminal offense related to the involvement of such persons, or organizations in any of the programs established by Titles XVIII, XIX, or XX?

☐ Yes ☒ No LB2

- B. Are there any directors, officers, agents, or managing employees of the institution, agency or organization who have ever been convicted of a criminal offense related to their involvement in such programs established by Titles XVIII, XIX, or XX?

☐ Yes ☒ No LB3

- C. Are there any individuals currently employed by the institution, agency, or organization in a managerial, accounting, auditing, or similar capacity who were employed by the institution's, organization's, or agency's fiscal intermediary or carrier within the previous 12 months? (Title XVIII providers only)

☐ Yes ☒ No LB4

- III. (a) List names, addresses for individuals, or the EIN for organizations having direct or indirect ownership or a controlling interest in the entity. (See instructions for definition of ownership and controlling interest.) List any additional names and addresses under "Remarks" on Page 2. If more than one individual is reported and any of these persons are related to each other, this must be reported under Remarks.

Name	Address	EIN
		LB5

- (b) Type of Entity: ☐ Sole Proprietorship ☐ Partnership ☐ Corporation ☐ Unincorporated Associations ☒ Other (Specify) State Agency LB6

- (c) If the disclosing entity is a corporation, list names, addresses of the Directors, and EINs for corporations under Remarks.

Check appropriate box for each of the following questions

- (d) Are any owners of the disclosing entity also owners of other Medicare/Medicaid facilities? (Example, sole proprietor, partnership or members of Board of Directors.) If yes, list names, addresses of individuals and provider numbers.

☐ Yes ☒ No LB7

Name	Address	Provider Number

- IV. (a) Has there been a change in ownership or control within the last year?  
If yes, give date \_\_\_\_\_ ☐ Yes ☒ No LB8
- (b) Do you anticipate any change of ownership or control within the year?  
If yes, when? \_\_\_\_\_ ☐ Yes ☒ No LB9
- (c) Do you anticipate filing for bankruptcy within the year?  
If yes, when? \_\_\_\_\_ ☐ Yes ☒ No LB10
- V. Is this facility operated by a management company, or leased in whole or part by another organization?  
If yes, give date of change in operations \_\_\_\_\_ ☐ Yes ☒ No LB11
- VI. Has there been a change in Administrator, Director of Nursing or Medical Director within the last year?  
☒ Yes ☐ No LB12
- VII. (a) Is this facility chain affiliated? (If yes, list name, address of Corporation, and EIN)  
Name \_\_\_\_\_ EIN # \_\_\_\_\_ ☐ Yes ☒ No LB13

Address

LB14

- VII. (b) If the answer to Question VII.a. is No, was the facility ever affiliated with a chain?  
(If YES, list Name, Address of Corporation and EIN)  
Name \_\_\_\_\_ EIN # \_\_\_\_\_ ☐ Yes ☒ No LB18

Address

LB19

- VIII. Have you increased your bed capacity by 10% or more or by 10 beds, whichever is greater, within the last 2 years?  
If yes, give year of change \_\_\_\_\_ ☐ Yes ☒ No LB15
- Current beds \_\_\_\_\_ LB16 Prior beds \_\_\_\_\_ LB17

WHOEVER KNOWINGLY AND WILLFULLY MAKES OR CAUSES TO BE MADE A FALSE STATEMENT OR REPRESENTATION OF THIS STATEMENT, MAY BE PROSECUTED UNDER APPLICABLE FEDERAL OR STATE LAWS. IN ADDITION, KNOWINGLY AND WILLFULLY FAILING TO FULLY AND ACCURATELY DISCLOSE THE INFORMATION REQUESTED MAY RESULT IN DENIAL OF A REQUEST TO PARTICIPATE OR WHERE THE ENTITY ALREADY PARTICIPATES, A TERMINATION OF ITS AGREEMENT OR CONTRACT WITH THE STATE AGENCY OR THE SECRETARY, AS APPROPRIATE.

Name of Authorized Representative (Typed)

James Stoebner

Title

Assistant Commissioner

Signature

Date

10/30/92

Remarks

- VI. William Saufferer, Chief Executive Officer retired July 14, 1992.  
Jerome Lovrien is currently Acting Chief Executive Officer.

FARIBAULT REGIONAL CENTER/RICE COUNTY DISTRICT ONE HOSPITAL

TRANSFER AGREEMENT

The District #1 Hospital, Faribault, Minnesota and Skilled Nursing Facility (SNF) of Faribault Regional Center, Faribault, Minnesota, do hereby join together in the following transfer agreement. The purpose of this agreement is to provide the health care most suited to the individual patient/resident needs. This agreement shall operate to promote optimum use of the acute care facilities of the general hospital and of the post acute care services of the related health facility. This agreement shall comply with appropriate requirements of the federal government and the state licensing agencies.

Now, therefore, the Hospital and related health facility which are signatory below, in consideration of the mutual advantages occurring to both do hereby covenant and agree each with the other as follows:

1. The governing body of the hospital signatory below and the governing body of the related health facility signatory below shall have exclusive control of the management, assets, and affairs of their respective facilities. No party by virtue of this agreement assumes any liability for any debts or obligations of a financial or legal nature incurred by the other party to this agreement. It is not the intention of either party to create a joint venture with any other party in the discharge of any obligations assumed by it and the receipt of any agreed compensation to be paid by it.
2. No clause of this agreement shall be interpreted as authorizing either signatory facility to look to the other signatory facility to pay for the services rendered to an individual transferred by virtue of this agreement, except to the extent that such liability would exist separate and apart from this agreement.
3. When an individual's need for transfer has been determined by the individual's physician, the referring facility shall promptly notify the receiving facility of the impending transfer. The receiving facility agrees to admit an individual as promptly as possible, provided bed space is available to accommodate the individual.
4. Both signatory facilities agree to use a patient care referral form (see attached) and this form will accompany the transferred individual from one signatory facility to the other. The intention of this section is to secure for both parties to this agreement the benefits of standardized information and procedures accompanying an individual transferred between signatory facilities, thus promoting operating efficiency of the individual's transfer.
5. All items of personal effects such as: money, clothing, furniture, etc., will be retained by the home when the resident is transferred to the hospital until such time requests have been made by the resident or responsible party to transfer such items to the hospital.
6. The referring facility shall arrange for safe and appropriate transportation and for care of the individual during transfer and provide security and accountability in transfer of the residents personal effects.
7. Neither signatory facility shall use the name of the other signatory to this transfer agreement in any promotional or advertising materials unless review and written approval of the intended use is first obtained from the party whose name is to be used.

8. This agreement shall remain in force from the time of signing and as long as it is not renounced by either signatory facility in writing to the other signatory giving ninety (90) days notice. This agreement does not constitute an endorsement by either signatory facility and it shall not be so used.

The following named facilities desire to become a party to this Transfer Agreement. In witness whereof, the facilities named below have executed this agreement this 1st day of March, 1991.

District One Hospital  
Faribault, Minnesota 55021

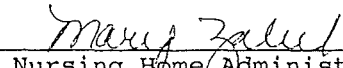
By: 

Administrator

Faribault Regional Center  
802 Circle Drive  
Faribault, Minnesota 55021

By: 

Chief Executive Officer

  
Nursing Home Administrator

The facility assumes professional and administrative responsibility for the services rendered.

/pk

## REQUEST TO BECOME A PARTY TO A TRANSFER AGREEMENT.

THE FOLLOWING NAMED FACILITIES DESIRE TO BECOME A PARTY TO A TRANSFER AGREEMENT. IN WITNESS WHEREOF, THE FACILITIES NAMED BELOW HAVE EXECUTED THIS AGREEMENT THIS 1st OF March, 1991  
(Day) (Month and Year)

NAME OF FACILITY District One Hospital  
ADDRESS 631 South East 1st Street  
CITY Faribault COUNTY Rice  
BY Larry Schulz, Hospital Administrator  
TITLE \_\_\_\_\_

NAME OF FACILITY Faribault Regional Center  
ADDRESS 802 Circle Drive  
CITY Faribault COUNTY Rice  
BY William Saufferer  
TITLE Chief Executive Officer

Please complete in quadruplicate and send two (2) copies to:

Minnesota Department of Health  
Health Resources Division  
Survey and Compliance Section  
717 Delaware Street Southeast  
Minneapolis, Minnesota 55440

Retain a copy in the files of each facility

10-28-92 02:40PM FROM FARIBAULT RTC

TO 8/8/6122973030/53699 P001



TO JIM CAMPBELL, DIRECTOR  
REIMBURSEMENT DIVISION

ORIGINATOR  
FOLD HERE

FROM RALPH C. JENSEN  
REIMBURSEMENT SPECIALIST  
FARIBAULT REGIONAL CENTER

STATE OF MINNESOTA  
DEPARTMENT OF PUBLIC WELFARE  
CENTENNIAL OFFICE BUILDING  
ST. PAUL, MINNESOTA 55101

DATE OCTOBER 28, 1992

REPLIER  
FOLD HERE

SUBJECT: Monthly reporting of clients in SNF & ICFMR Units

Agreement has been reached between the Medical Records Department and the Reimbursement Office at Faribault Regional Center, whereby the Medical Records Office will submit to the Reimbursement Office at the end of each month a report listing the number of clients in each the Skilled Nursing and the ICFMR Units.

*Ralph C. Jensen*  
RALPH C. JENSEN  
REIMBURSEMENT SPECIALIST  
FARIBAULT REGIONAL CENTER

*T. R. Opitz*  
T. R. OPITZ  
MEDICAL RECORDS  
FARIBAULT REGIONAL CENTER

Post-It™ brand fax transmittal memo 7671		# of pages 1
To <i>Jim Campbell</i>	From <i>Ralph C. Jensen</i>	
Co. <i>St Paul</i>	Co. <i>Faribault</i>	
Dept.	Phone # <i>332-3319</i>	
Fax # <i>297-3030</i>	Fax #	

REPLY:

SIGNED

DATE