

medical benefits for which they were eligible. See 7 U.S.C. 2020 (a); (d), (e)(2),(3) & (9); 42 U.S.C. 602 (a), (4); 42 U.S.C. 1396a (a)(9),(10). The State must also share in the cost of operating each program. See 7 U.S.C. 2025, 42 U.S.C. (a)(7), 42 U.S.C. 1396a(a)(2). The State is responsible for 50% of the benefit costs of the Medicaid program. ...Should the State fail to fulfill its numerous responsibilities under any of the three federal programs, it is subject to severe federal fiscal sanctions and, indeed, could be banned from continued participation in the programs. See 7 U.S.C. 2020(g), 42 U.S.C. 609; 42 U.S.C. 1396c. ...The Department of Human Services is responsible under state law for administering the state programs relating to each of these ...federal programs. Minn. Stat. 256.01, subd. 2 (Medicaid Program) ...The Supremacy Clause of the United States Constitution requires the State of Minnesota to fulfill these agreements with the United States government requiring the State to make payments to individuals or local governments units, or to undertake administrative duties on behalf of or in cooperation with the federal government. The duty to fulfill these agreements, et cetera, constitute core functions for state government under the United States Constitution.

At Conclusion of Law # 5, Judge Gearin noted:

“The State of Minnesota has entered into agreements with the United States government to participate in a variety of programs, including, for example, the Food Stamp Program, the Temporary Assistance to Needy Families Program, and the Medicaid Program. Under these agreements, continued participation in those programs is required once a State has agreed to participate. The Supremacy Clause of the United States Constitution, Article VI, Clause 2, mandates that any funds paid by the state as a result of participation in these federal programs must continue.

Judge Gearin then issued the following as part of her Order:

“11. The Commissioner of the Department of Management and Budget is also authorized to make payments as necessary to carry out the critical core functions of the executive and legislative branches consistent with Exhibit A and the findings of facts and conclusions of law in this order.

On July 1, 2011, the Department of Human Services issued the Bulletin attached as Exhibit B. The Bulletin, styled as a “Provider Update,” states that complex claims or claims with attachments will not be paid during the shutdown.

According to a Bulletin issued by the Department of Human Services dated June 30, 2009, "Complex claims" include, but are not limited to, claims that have attachments. (Exhibit C)

The Administrative Uniformity Committee (AUC) is an adjunct to the Department of Human Services. The AUC publishes guidelines which are compliant with federal HIPAA guidelines. The AUC refined Exhibit C as it relates to "complex claims" by describing several categories of claims that require attachments. Representatives of medical providers and supply companies will be available on Thursday, July 7, 2011, to describe the following as "complex claims:"

1) Miscellaneous codes

Some products do not have a unique HCPC code (Health Care Procedure Code-used for billing). If no code exists that describes a product a miscellaneous code is used and a narrative description of the product and its price is provided via claims attachments.

The miscellaneous codes include:

- A4335 Miscellaneous Incontinence supply
- A4649 Surgical Supply, miscellaneous
- A9999 Miscellaneous DME Supply, accessory or service component
- B9998 Miscellaneous enteral supply
- E1399 DME misc (Any durable supply or equipment not otherwise classified that can withstand repeated use)
- K0108 Wheelchair component or accessory, not otherwise classified

2) Manual Pricing

Manual pricing include products customized to an individual. When this code is utilized the provider will customarily attach the MSRP document so that DHS can calculate the payment rate.

- A6533 Compression stockings-custom fit requires manual price

3) HCBS Waiver Items

HCBS Waiver items, Specialized Medical Supplies and Equipment and Assistive Technology, are approved through service agreement with an individual's county case manager. The service agreement approval is entered in the Medicaid MN-ITS billing system so that the claim can be paid. MN DHS has both of these line items on a manual review process to ensure compliance in the approval process. Because of the manual review requirement, all claims entered for these codes are suspended until they can be reviewed.

- T2029 Assistive Technology
- T2029 Specialized Supplies and Equipment
- E1399 Specialized Supplies and Equipment

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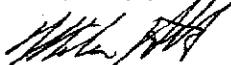
Dual Eligibility Claims. Dual eligibility claims may also involve attachments or be classified as "complex claims." Dual eligibility claims include both Medicare and Medicaid coverage. These claims generally involve patients who are impoverished and disabled and therefore eligible for both types of coverage.

A dual eligible's claims normally are processed by Medicare, sent electronically to Medicaid and processed electronically by Medicaid and paid within the 14 day warrant cycle. On occasion there is a problem where the two systems do not coordinate. In such cases the claims are suspended for manual review by a Medicaid claims agent. In such a review the claims agent determines whether Medicare is the primary obligor, and if so the agent will have Medicaid pay secondary. In some cases the Center for Medicare Services will determine that Medicare is not primary, at which point the manual review process can take up to 90 days.

Examples. Attached are invoices that, under the DHS definition in the Provider Update attached as Exhibit B, would not be paid because they are "complex claims." The names of the patients are deleted for privacy reasons. Exhibit D is a "complex claim" for a foam bed wedge for a patient. The foam bed wedge is "complex" because the product varies substantially in size, width and shape. The Medicaid fiscal agent needs to review the claim as a "complex claim" because DHS pays 20% above the product invoice, and the invoice needs to be manually reviewed. Exhibit E is a "complex claim" because it is an invoice for repairs to a wheelchair. There is no product or service code for this work and so an attachment is provided which describes the work performed and the price charged. Thus, because of the unique work involved, the claim needs to be manually reviewed. Exhibit F is a "complex claim" because the patient needs a suction machine which does not have its own HCPC code. Accordingly, the claim needs a copy of the invoice and the product description and, because it is an attachment, the DHS Bulletin describes it as a "complex claim." Exhibit G is a claim made pursuant to a waiver service program. The products and services have codes, but because it is part of a waiver service program it must be manually reviewed.

It is respectfully submitted that the Special Master make a recommendation to Judge Gearin that, when a supplemental order is issued, it makes it clear to the Department of Human Services that all Medicaid claims, be they "easy" or "complex," must be processed in order to comply with the federal law and the Supremacy Clause. Otherwise, the Bulletin issued by DHS last Friday essentially states that Medicaid will be paid, but only if there is staff available. As noted in the Judge Gearin's Order, the State and DHS must provide the fiscal agents to carry out the mandate of Medicaid.

Very truly yours,



Mike Hatch

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Dr. Roy Maynard

EXHIBIT A

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RAMSEY

SECOND JUDICIAL DISTRICT

Case Type: Civil

In Re Temporary Funding of Core
Functions of the Executive Branch of
the State of Minnesota

Court File No. 62-CV-11-5203

**FINDINGS OF FACT, CONCLUSIONS OF
LAW, AND ORDER GRANTING
MOTION FOR TEMPORARY FUNDING**

On June 15, 2011, this Court issued an Order to Show Cause setting a hearing date of June 23, 2011 on the motion of Petitioner Lori Swanson, Attorney General of the State of Minnesota, for an Order of this Court directing that core functions of the State of Minnesota continue to operate and be funded on a temporary basis after June 30, 2011. Since then, various other submissions have been filed with the Court. Appearances at the hearing are as noted in the record. Having considered the pleadings filed in this matter and the oral presentations of counsel, this Court makes the following Findings of Fact, Conclusions of Law and Order.

FINDINGS OF FACT

1. The Governor motioned this Court to order mandatory mediation between the executive and legislative branches. The Court denied the motion orally and in a written order dated June 27, 2011. The Governor opposes the Attorney General's Petition for a court order directing core functions of the State of Minnesota to continue absent a budget agreement between the executive and legislative branches by June 30, 2011. The Governor asks this Court not to issue any further orders at this time arguing the issue is not justiciable. The Governor asserts that he is prepared to use his executive power without an appropriation or court order should the executive and legislative branches fail to reach a budget agreement.

2. The Court finds that the issue has “ripened” to the point where it needs to be ruled upon by the Court. *Holiday Acres No. 3 v. Midwest Fed. Sav. & Loan Assoc.*, 271 N.W.2d 445 (Minn. 1978).

3. The Attorney General petitioned this Court for an order directing that core functions of the State of Minnesota continue to operate and be funded on a temporary basis after June 30, 2011. She also requests the Court appoint a Special Master. The Attorney General took no position on the motion for mediation but informed the Court she would participate if ordered to do so.

4. The Minnesota House opposed the request for court ordered mediation as unconstitutional. At the hearing, counsel for the House stated the House does not oppose the Attorney General’s Petition or the Governor’s position. The House specifically requested the Court order the Office of Management and Budget to continue issuing payments to fund the Minnesota House in the event of a state government shutdown. The House also took the position that the issue before the Court is justiciable.

5. The Minnesota Senate concurred with the Minnesota House’s position on mediation. It takes no position on the Attorney General’s Petition and does not oppose the Governor or the Attorney General’s requests regarding what functions should be deemed essential. The Senate concurred with the House’s position regarding its request that this Court order the Office of Management and Budget to continue issuing payments to fund the Minnesota House in the event of a state government shutdown. The Senate asks that this Court treat both legislative bodies the same.

6. Minnesota Senators Roger Chamberlain, Warren Limmer, Scott Newman, and Scan Nicnow motioned this Court to intervene as parties. The Governor and the Attorney

General both opposed the motion to intervene. The House and Senate took no position on the issue. The Court denied the motion orally on June 23, 2011. The four senators were allowed to participate as *amicus curiae* regarding the issues raised in the Attorney General's petition.

7. The Association of Residential Resources in Minnesota, Minnesota Development Achievement Center Association and Minnesota Habilitation Coalition, Inc. motioned this Court to intervene as parties. The Governor, Minnesota House, Minnesota Senate and the Attorney General had no objection. Therefore, this Court granted intervention orally.

8. The Minnesota Workforce Council Association, the Associated General Contractors of Minnesota and Hennepin County also made motions to intervene. The Attorney General had no objection to the extent that the interveners did not raise new issues. The Governor had no objection to the motions. The House and Senate took no position on the issue. The Court took the motions under advisement.

9. Petitioner Lori Swanson is the Attorney General of the State of Minnesota and in that capacity she represents the public in all legal matters involving the State of Minnesota. She also represents the people of the State in a *parens patriae* capacity.

10. The regular session of the Minnesota Legislature ended on May 23, 2011. No legislation has been enacted appropriating funds for the executive branch officers and agencies (other than the Department of Agriculture, the Board of Animal Health and the Agricultural Utilization Research Institute) for the fiscal year beginning on July 1, 2011.

11. The legislature failed to pass a "lights on" bill that would have continued funding of executive branch core functions beyond 11:59 p.m. on June 30, 2011 before it adjourned.

12. The Governor has not called the legislature into special session in order to have it attempt to pass either a "lights on" bill or funding bills that would either have a two-thirds majority or be signed by the Governor.

13. After the 2005 shutdown, the Minnesota Court of Appeals stated that, "The legislature could prevent another judicially mandated disbursement of public funds without an authorized appropriation by, for example, creating an emergency fund to keep the government functioning during a budgetary impasse or enacting a statute setting forth the procedures to be followed during a budgetary impasse." *State ex rel. Sviggum v. Hanson*, 732 N.W.2d 312 (Minn. App. 2007). The Court of Appeals emphasized that it is "the legislature and not the judiciary that has the institutional competency to devise a prospective plan for resolving future political impasses." In the five years since the *Sviggum* decision was issued, no plan has become law.

14. The Minnesota Constitution entrusts certain core functions to the executive branch of government and to each of the five executive branch constitutional officers specified in Article V (the Governor, Lieutenant Governor, Attorney General, Secretary of State, and State Auditor). Those core functions of executive branch officials and agencies include ensuring compliance with state and federal constitutional rights of citizens and federal mandates.

15. Due to the lack of appropriations, the five constitutional officers of the State of Minnesota and the executive branch agencies will not have sufficient funds to carry out their core functions. The failure to properly fund critical core functions of the executive and legislative branches will violate the constitutional rights of the citizens of Minnesota.

16. In 2001 and 2005, the Attorney General petitioned this Court to preserve the operation of core functions of the executive branch of government after a budget was not enacted to fund state government. In those instances, this Court issued Orders providing for the

continued performance of the core functions of the executive branch constitutional officers, and that the State continue to pay for such functions performed after July 1, 2001 and July 1, 2005, respectively. See *In Re Temporary Funding of Core Functions of the Executive Branch of the State of Minnesota*, Findings of Fact, Conclusions of Law, and Order Granting Motion for Temporary Funding, C0-05-5928 (Ramsey Co. D.Ct., filed June 23, 2005); *In Re Temporary Funding of Core Functions of the Executive Branch of the State of Minnesota*, Findings of Fact, Conclusions of Law, and Order Granting Motion for Temporary Funding, C9-01-5725 (Ramsey Co. D.Ct., filed June 29, 2001). In 2001 and 2005, the Court appointed a Special Master to assist in resolving issues relating to the Orders. The constitutional analysis that resulted in the judges in those cases granting the Attorney General's petition has not been the subject of appellate review. In both the 2001 and the 2005 cases, the Governor agreed with and joined in the Attorney General's request.

17. With regard to a previous shutdown of the federal government, the Office of Management and Budget ("OMB") and the United States Attorney General used the following criteria to define core or essential government services:

- Those services providing for national security;
- Those services providing for benefit payments in the performance of contract obligations, and
- Conducting essential activities to the extent that they protect life and property.

OMB Memorandum, *Agency Operations in Absence of Appropriations* (Nov. 17, 1981), available at http://www.opm.gov/furlough/OMBGuidance/Attachment_A-4.pdf (hereinafter "OMB Memorandum").

18. Pursuant to the criteria referenced in paragraph 14 above, the OMB determined that the following activities, among others, were core or essential services necessary to protect life and property:

- Medical care of inpatients and emergency outpatient care;
- Activities essential to ensure continued public health and safety, including safe use of food, drugs, and hazardous materials;
- Continuance of transportation safety functions and the protection of transport property;
- Protection of lands, buildings, waterways, equipment and other property owned by the government;
- Care of prisoners and other persons in the custody of the government;
- Law enforcement and criminal investigations;
- Emergency and disaster assistance;
- Activities that ensure the production of power and the maintenance of the power distribution system;
- Activities essential to the preservation of the essential elements of the financial system of the government, including the borrowing and tax collection activities of the government; and
- Activities necessary to maintain protection of research property.

OMB Memorandum.

19. Minnesota Constitution Article III, Section 1, regarding no branch exercising the powers of another, is not found in the United States Constitution. It is found in a number of state constitutions. It is an “unusually forceful command...” *Fletcher v. Commonwealth*, 163 S.W.3d 852 (Ky. 2005).

20. Article I, Section 1, of the Minnesota Constitution states, “Government is instituted for the security, benefit, and protection of the people in whom all political power is inherent...” Other sections of the Constitution impose a variety of core functions upon the five constitutional officers which may not be abridged. *State ex rel. Mattson vs. Kiedrowski*, 391 N.W.2d 777 (Minn. 1986).

21. The Minnesota Constitution requires that the state provide a “general and uniform system of public schools.” Minn. Const. art. XIII, § 1. This requires that the state finance an “adequate” level of education that is uniformly available to all students. This constitutional provision makes funding education a critical core function of government.

22. The Supremacy Clause of the United States Constitution requires that the State of Minnesota perform certain core functions of the government pursuant to an intergovernmental compact agreement or congressional mandate.

23. The State of Minnesota has reserves at this time sufficient to fund core functions of the executive branch, and the executive branch could continue to operate core functions if it had access to those funds.

24. The State of Minnesota has entered into numerous agreements with the United States government which require the State to make payments to individuals or local governmental units, or to undertake certain administrative duties on behalf of or in cooperation with the federal government. Without funding as of July 1, 2011, the State will violate the Supremacy clause of the U.S. Constitution. These agreements and obligations involve, but are not limited to, the administration and payment of medical assistance, general assistance, and a variety of other programs designed to ensure the health, safety and welfare of Minnesota citizens.

25. Examples of the federal programs referenced in paragraph 17 include the following: the Supplemental Nutrition Assistance Program (referred to herein as the Food Stamp Program), 7 U.S.C. § 2011 *et seq.*; the Temporary Assistance to Needy Families (TANF) Program, 42 U.S.C. § 601 *et seq.*; and the Medicaid Program, 42 U.S.C. § 1396 *et seq.* Before the State was allowed to participate in these programs, it was required to assure the federal government, through certification or a state plan submission, that Minnesota residents would be promptly provided the food, subsistence and medical benefits for which they were eligible. *See* 7 U.S.C. § 2020(a); (d), (e)(2), (3) & (9); 42 U.S.C. § 602(a)(1), (4); 42 U.S.C. § 1396a(a)(9), (10). The State must also share in the cost of operating each program. *See* 7 U.S.C. § 2025, 42 U.S.C. § 609(a)(7), 42 U.S.C. § 1396a(a)(2). The State is responsible for 50% of the benefit

costs of the Medicaid program. It must also maintain prior levels of state spending in the TANF program. Should the State fail to fulfill its numerous responsibilities under any of the three federal programs, it is subject to severe federal fiscal sanctions and, indeed, could be banned from continued participation in the programs. See 7 U.S.C. § 2020(g); 42 U.S.C. § 609; 42 U.S.C. § 1396c. The Department of Human Services is responsible under state law for administering the state programs relating to each of these three federal programs. See Minn. Stat. §§ 245.771 (Food Stamp Program); 256J.02 (TANF Program); 256.01, subd. 2 (Medicaid Program). The Attorney General also has certain obligations under federal law (as well as state law) with respect to the Medicaid Program. See, e.g., 42 U.S.C. § 1396b(q) (investigate and prosecute Medical Assistance fraud); Minn. Stat. § 256B.12 (original jurisdiction for Medicaid fraud). The Supremacy Clause of the United States Constitution requires the State of Minnesota to fulfill these agreements with the United States government requiring the State to make payments to individuals or local governmental units, or to undertake administrative duties on behalf of or in cooperation with the federal government. The duty to fulfill these agreements, et cetera, constitute core functions for state government under the United States Constitution.

26. Budget impasses in the absence of state funding appropriations do not permit a state to forego its obligation to fund certain federal programs. *Coalition for Basic Needs v. King*, 654 F.2d 838 (1st Cir. 1981). The Supremacy Clause of the United States Constitution, Article VI, clause 2, makes the United States Constitution and federal laws the supreme law of the land governing anything to the contrary in state laws or state constitutions. *Testa v. Katt*, 330 U.S. 386 (1947).

27. The Governor requested in his pleadings that if the Court did decide to issue an order other than to mediate, said order should be based on the Governor's determination of what

priority critical services must be continued. The Governor created a Statewide Contingency Response Team (SCRT) chaired by the Commissioner of the Department of Management and Budget, to establish statewide objectives in the event of a shutdown. The Court agrees with the Governor that the following critical core functions of government should continue to be funded after June 30, 2011 even if there is no resolution of the present funding dispute between the executive and legislative branches:

- 1) Basic custodial care for residents of state correctional facilities, regional treatment centers, nursing homes, veterans homes, and residential academics and other similar state-operated services.
- 2) Maintenance of public safety and immediate public health concerns.
- 3) Provision of benefit payments and medical services to individuals.
- 4) Preservation of the essential elements of the financial system of the government.
- 5) Necessary administration and supportive services, including by not limited to computer system maintenance, internet security, issuance of payments.

28. The Court has attached as Exhibit A the document entitled, "Recommended State-wide Objectives, 2001 Potential Minnesota Government Shutdown and Recommended Priority 1 and Priority 2 Critical Services." The Court has made some minimal changes in the document submitted by the Governor. The Court agrees with the Governor that the Court's order regarding continuing funding for core functions of the government should focus on the critical services discussed in Exhibit A. It agrees that those functions are critical.

29. Any order of this Court allowing the Commissioner of the Department of Management and Budget to issue checks and process funds to pay for core functions and

obligations that the State has pursuant to the Supremacy Clause of the United States Constitution should limit itself to only the most critical functions of government involving the security, benefit, and protection of the people.

30. There have been numerous motions to intervene and motions to participate as *amicus curiae* filed because of the issues raised in this case. The briefs and letters submitted represent many programs, agencies, and contracted private businesses that will be significantly and adversely impacted by the failure of the executive and legislative branches to successfully enact laws appropriating funds. It has been argued compellingly that many of these programs and entities are beneficial to the people of the State, provide services that may aid citizens in working their way out of poverty, may provide jobs for private industry, may improve the state infrastructure, may result in benefits that help working class people obtain and maintain employment, and provide a myriad of other benefits to the State. In light of Article XI, the Court believes that the negative impact of a government shutdown on these programs does not justify a court in over-extending its authority. In light of Article XI of the Minnesota Constitution, the Court must construe any authority it has to order government spending to maintain critical core functions in a very narrow sense. Discretionary appropriations are the province of the legislature, not the courts.

31. Numerous Minnesota non-profit organizations have filed to either intervene in the proceedings or to participate as *amicus curiae*. They provide services to vulnerable clients. These clients may suffer hardships and fail to make the progress of which they are capable without the assistance of these non-profits. Some non-profit entities will not survive without state appropriations. Neither the good services they provide nor the fact that they may cease to

exist without state funding is sufficient cause to deem their funding to be a critical core function of government and to overcome the constitutional mandate in Article XI.

32. The Court finds that “core functions” that are critical enough to require court-ordered funding despite Article XI are far less in number and breath than proposed by the Attorney General and those seeking amicus curiae status.

33. Except for TANF programs, the child care assistance programs discussed in the memorandum of the amici Coalition of Child Care Providers and Supporters are not critical core function programs that would justify this Court in ordering funding despite the lack of legislative appropriations as required by Article XI. Child care programs that are funded under the TANF program should continue to be funded. Not to do so would violate the Supremacy Clause of the United States Constitution. The Court is aware that not funding non-TANF child care assistance may cause extreme hardship to low income working parents, increase the public assistance rolls because some of these people will have to leave the workforce in order to care for their children, and may lessen the opportunities for low income children to succeed in school. These likely consequences can only be avoided by the exercise of legislative and executive branch discretion in settling the budget issues.

34. The Horsemen’s Benevolent and Protective Association brief in support of its motion to intervene or file an amicus curiae brief argues that if they are not able to have racing after June 30, 2011, the race meet will be destroyed, and that the reputation of the Minnesota race meet will be permanently blemished, and future race meets will be jeopardized. Nothing was presented that leads the Court to believe that their assertions are anything less than true. If the Court were to order funding of regulatory activities necessary to allow future race meets to take place, it would, in effect, be ruling that the regulation of horse racing is a core function of

government. Regulation of horse racing is not a core function of government. The Court is granting the motion to intervene so that the Horsemen's Benevolent and Protective Association make seek emergency review by an appellate court. The only practical and legal remedy that would save the Association from the damage caused by the failure of other branches of government to resolve their differences is obtainable only by the governor calling a special session and the legislature passing appropriations bills that are capable of becoming law.

35. The appointment of a Special Master will help promote judicial economy and efficiency. A Special Master creates an orderly process to resolve requests for, or objections to, funding, thereby preventing the necessity for multiple individual lawsuits to be filed and adjudicated. *See, e.g.*, Minn. R. Civ. P. 1 (rules of civil procedure shall be administered to secure just, speedy, and inexpensive determination of every action); Minn. R. Civ. P. 53.01 (authorizing appointment of special master). *See also* 9C Wright & Miller, *Federal Practice and Procedure: Civil* §§ 2602, 2602.1 (3rd ed. 2008) (discussing use of special master to facilitate effective and expeditious consideration of claims).

36. The Governor's Statewide Contingency Response Team decided to recommend that the only critical core functions of the Minnesota Zoological Gardens are feeding the animals, and keeping the animals, the exhibits, and the zoo property safe, secure, and healthy. The Court agrees with that determination and also would add that it is necessary to fund whatever staff is necessary to make sure that none of the animals can escape and become a danger to the public. The Court recognizes that this will cause significant harm to the zoo as the 4th of July weekend and the rest of the summer are the busiest times of the year. It further recognizes that this will significantly reduce the receipts of the zoo. Those concerns need to be recognized and resolved by actions of the executive and legislative branches, not by the judicial branch. The operations

of a zoo, even when in large part paid for by admission charges and other receipts, is a critical core function of government sufficient to overcome the requirements of Article XI.

37. The Minnesota Association of General Contractors takes the position that certain construction projects and activities of their members are core functions necessary for the government to continue to fund. This Association asserts the continued funding of all state construction contracts is an essential or critical government function due to the perilous economic condition of the State's construction industry and the general harm to citizens that suspension of design and construction contracts would cause. In its brief, the Association cites the Lafayette Bridge as an example of a critical core government function necessary to protect the life, health, and safety of its citizens. The Court agrees that any part of a contract which keeps the bridge from collapsing does constitute a critical core function that needs to be funded. It does not agree that replacement of the bridge constitute a critical core function necessary to protect the life, health, and safety of its citizens. A government shutdown may result in increased expenses for road projects that may be funded constitutionally in the future. The Court has no reason to disagree with the assertions of the Association that a government shutdown will significantly delay completion of present projects, increase costs and put numbers of employees out of work. The delay in construction and increased costs that will likely happen as a result of a government shutdown will be because of the executive and legislative branches failing to resolve the budget issues. Those things do not justify the Court in ordering the funding of non-critical core functions and thereby violating Article XI of the Minnesota Constitution.

38. Even though the State has promised to pay for certain projects such as road construction, that does not justify the court ordering payment under those contracts without a specific legislative appropriation. As stated in *County of Beltrami v. Marshall*, 135 N.W.2d 749

(Minn. 1965), "A legislative appropriation is always a prerequisite to state liability. The mere creation of a liability on the part of the state, or promise of the state to pay, if the statute may thus be construed, is of no force in the absence of an appropriation of funds from which the liability may be discharged."

39. The court agrees with the position of the League of Minnesota Cities, the Coalition of Greater Minnesota Cities, and the City of St Paul regarding Local Government Aid legislation. These funds have already been lawfully appropriated and should be paid on schedule. This is also true regarding previously lawfully appropriated payments to School Districts.

CONCLUSIONS OF LAW

1. The Attorney General is authorized to commence an action in the courts of this State when she determines that the proceeding is in the interest of the State.
2. This Court has jurisdiction over this matter in accordance with Minnesota Statutes Chapter 484, and venue is proper in this Court pursuant to Minnesota Statutes Section 542.01.
3. The Minnesota Constitution must be read as a whole and each provision interpreted in the context of the entire document and the provisions of the U.S. Constitution. Article XI, Section 1 of the Minnesota Constitution provides that "no money shall be paid out of the treasury of this state except in pursuance of an appropriation by law." However, the Minnesota Constitution also provides that each of the five executive branch constitutional officers specified in Article V, namely, the Governor, Lieutenant Governor, Attorney General, Secretary of State, and State Auditor, have and perform certain core functions which are an inherent part of their offices. Article V, Section 1 "implicitly places a limitation on the power of the legislature" so that the core functions of the executive branch officers, and their performance

of those functions, may not be abridged. *State ex. rel. Mattson vs. Kiedrowski*, 391 N.W.2d 777, 782 (Minn. 1986). Failure to fund these independent core functions, even temporarily, nullifies these constitutional offices, which in turn contravenes the Minnesota Constitution. See Minn. Const. art. III, § 1 (dividing the powers of government into three distinct departments); *Mattson*, 391 N.W.2d at 782 (holding that implicit limitation on legislative authority prevents abolishment "of the independent functions inherent in an executive office."). See also *Clerk of Court's Compensation for Lyon County v. Lyon County Commissioners*, 241 N.W.2d 781, 784 (Minn. 1976) (recognizing that "separation of powers becomes a myth," if one branch of government could "effectively abolish" another).

4. The core functions of the executive branch arise from the state and federal constitutions, including the independent functions inherent in each executive office, *Mattson*, 391 N.W.2d at 782-83, as well as mandates of the federal government pursuant to the Supremacy Clause of the United States Constitution. All constitutional officers take an oath to support the constitutions of the United States and the State of Minnesota and to discharge faithfully the duties of their constitutional offices. Minn. Const. art. V, § 6. Core functions include matters relating to the life, health and safety of Minnesota citizens, the protection of rights of citizens under the Minnesota and United States Constitutions, and the maintenance and preservation of public property.

5. The State of Minnesota has entered into agreements with the United States government to participate in a variety of programs, including, for example, the Food Stamp Program, the Temporary Assistance to Needy Families Program, and the Medicaid Program. Under these agreements, continued participation in those programs is required once a State has agreed to participate. The Supremacy Clause of the United States Constitution, Article VI,

clause 2, mandates that any funds paid by the State as a result of participation in these federal programs must continue.

6. The Senate and House (Legislative Branch) must be funded sufficiently to allow them to carry out critical core functions necessary to draft, debate, publish, vote on and enact legislation.

ORDER

1. The Commissioner of the Department of Management and Budget, Jim Schowalter, shall timely issue checks and process such funds as necessary to pay for the performance of the critical core functions of government as set forth in this Order.

2. Hennepin and Ramsey Counties motion to intervene is denied as their position regarding pass-through of federal dollars is adequately represented by both the Attorney General and the Governor. The Court will continue to allow them to participate as amicus curiae.

3. Jenni Taylor's motion to intervene is denied as her position regarding pass-through of federal dollars is adequately represented by both the Attorney General and the Governor. The Court will continue to allow her to participate as amicus curiae.

4. SEIU Local 284 Kids First MN, Sharon Born, Terry Bicknell, and Rebecca Hall's motion to intervene is granted as their position regarding programs that are not funded as part of federal pass-through funding agreements is not adequately represented by other parties. The federal pass-through funds part of the Minnesota Child Care Assistance program is adequately represented by the petitions of the Attorney General and the Governor. The issue of whether non-federal "pass-through" programs constitute critical core functions of government requiring the Courts to order funding despite Article XI is to be dealt with by the Special Master appointed by the Court.

5. The Minnesota Horsemen's Benevolent and Protective Association's motion to intervene is granted as their position is not adequately represented by existing parties.

6. Minnesota Workforce Council Association's motion to intervene is denied as their position regarding pass-through of federal dollars is adequately represented by both the Attorney General and the Governor. The Court will continue to allow the Association to participate as *amicus curiae*.

7. Association of Residential Resources in Minnesota, Minnesota Development Achievement Center Association, and Minnesota Habilitation Coalition, Inc.'s motion to intervene are granted by agreement of the parties. The issue of whether non-federal "pass-through" programs constitute critical core functions of government requiring the Courts to order funding despite Article XI is to be dealt with by the Special Master appointed by the Court.

8. The motion of the League of Minnesota Cities, Coalition of Greater Minnesota Cities, and the City of St. Paul to intervene is granted because their position that critical government aid (LGA) funds have already been appropriated by action of the Legislature and approval by the Governor is not adequately represented by existing parties.

9. The motion of the Minnesota Zoological Garden to intervene is granted as their position is not adequately represented by existing parties.

10. The motion of Associated General Contractors of Minnesota to intervene is granted as their interests are not adequately represented by existing parties.

11. The Commissioner of the Department of Management and Budget is also authorized to make payments necessary to carry out the critical core functions of the executive and legislative branches consistent with Exhibit A and the findings of fact and conclusions of

law contained in this order. He is also ordered to fund programs where funding is mandated by the Supremacy clause of the U.S. Government and make payments such as LGA payments that have already been lawfully appropriated.

12. Any requests to participate as amicus curiae not previously addressed in this order are granted.

13. The Honorable Kathleen Blatz, Retired Chief Justice of the Minnesota Supreme Court, is hereby appointed as Special Master to hear and make recommendations to the Court, as necessary, regarding any issue raised by Petitioner or others relating to the application of this Order. The fees and expenses of the Special Master shall be paid by the State of Minnesota, the Commissioner of the Department of Management and Budget. Expenses shall include the costs of whatever staff she deems necessary to fulfill her duties as a Special Master. Information regarding how to set up a hearing before the Special Master will be made available as soon as possible on the State Court and Second Judicial District websites

14. This Order shall be effective until the earliest of the following:

- a. July 31, 2011, which may be extended by the Court;
- b. The enactment of a budget by the State of Minnesota to fund all of the core functions of government after June 30, 2011; or
- c. Further Order of this Court.

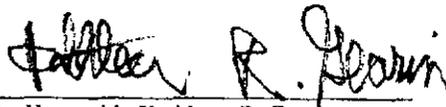
15. Petitioner shall serve by U.S. Mail a copy of this Order on the persons and entities who were served the Order to Show Cause dated June 15, 2011 and all other persons who have filed submissions in this proceeding.

16. Nothing in this order shall be construed as prohibiting the Commissioner of OMB from funding resources necessary to respond to an unforeseen emergency that would place

the public or public property in immediate danger. The governor may obtain such funds on an emergency basis. If requested by a party, the need for continuation of such emergency funding will be reviewed by the Special Master.

BY THE COURT:

Dated: 6-29-11



The Honorable Kathleen R. Gearin
Chief Judge
Ramsey County District Court

EXHIBIT B

State Shutdown Information

June 24, 2011 – MHCP Provider Update MHP-11-05

Revised June 30, 2011

As you may know, Minnesota state agencies are currently planning for the possibility of a disruption of government services on July 1, 2011. Because you are a valued partner of the Minnesota Department of Human Services (DHS), we wanted to notify you of action by the court on critical services that are being allowed to continue in a limited fashion during a shutdown.

During the shutdown:

- MHCP will continue to process provider claims (simple), except complex claims or claims with attachments
- MHCP will continue to make payments to providers based on their claims in a 'to-be-paid' status (i.e. July warrants, including the June delayed payment claims)
- MN-ITS will continue to accept transactions, including eligibility requests/responses; claims, authorization, etc.
- The new medical review agent will accept and process request for authorization (except prescription drug)
- The MHCP Prescription Drug PA Review Agent will continue to accept and process prescription drug authorizations
- MHCP will continue to process home care service authorizations
- MHCP will not process:
 - Any provider enrollment applications
 - Any claims that are not simple claims

MHCP will have very limited staff at the Provider Call Center. We ask that you review the Provider website and Manual pages for information before calling the Call Center. Also because of limited or no staff availability, MHCP will not accept other phone calls, emails, or faxes.

During the shutdown, we ask providers to:

- Continue providing services to MHCP recipients
- Continue verifying recipient eligibility and submitting claims through MN-ITS
- Stop determining presumptive eligibility for the Minnesota Family Planning Program (MFPP) or Sage (you may assist clients with applications and submit to DHS)

Thank you for your continued service to MHCP recipients, your patience and understanding.

Additional Resources

[Potential State Shutdown Provider FAQ](#)

If you have questions about this information, call the MHCP Provider Call Center at (651) 431-2700 or 1-800-366-5411.

[Sign up](#) to receive Provider Updates and other MHCP notices in your e-mail account.

EXHIBIT C

MHCP Enrolled Providers

MHCP Provider Update MHP-09-04

Additional E3 Claim Changes for 7/15/09

June 30, 2009

Effective July 15, 2009, the Minnesota E3 Initiative (eligibility, claims, RA) requires providers to submit all claims electronically and in uniform format, based on Minnesota Uniform Companion Guides.

Submit claims via MN-ITS or a pharmacy point-of-sale system to meet MHCP E3 claim requirements. MHCP is alerting you to the following changes:

- Electronic claim attachments
- Multiple line-level authorization numbers
- Specific provider/service type changes
- Pharmacy changes

MHCP will no longer accept paper claims in any formats effective 7/15/09.

Electronic Claim Attachments

Requirements for claim attachment submission have been standardized across Minnesota for E3. MHCP requires only a limited number of claim attachments. Claims with attachments are complex claims for prompt payment purposes. Do not send paper claims with attachments on or after July 15, 2009.

When you need to submit an electronic claim with an attachment, follow these steps:

1. Review MHCP Attachment Criteria to ensure that your claim attachment is necessary
2. Complete the AUC Uniform Cover Sheet for Health Care Claims. You must use only the AUC Cover Sheet for attachments. MHCP will deny claims with attachments that do not have the AUC Cover Sheet.
 - Create a unique attachment control number (ACN) for each type of attachment (up to 10); each type of attachment must have its own completed Cover Sheet
 - Enter the appropriate ACN on each attachment page, the Cover Sheet and your electronic claim:
 - Interactive: Enter the ACN(s) in the Claim Information tab, Attachment Control Number/PWK field
 - Batch: Enter the ACN(s) in Loop 2300, PWK06; enter the method by which you send the attachment information in Loop 2300, PWK02 (follow complete AUC Attachment Cover Sheet Instructions)
3. Submit the claim electronically via MN-ITS Interactive or Batch
4. Fax the Cover Sheet and attachment(s) to (651) 431-7786 on or after July 15, 2009

The MHCP Claim Attachment Criteria and AUC Cover Sheet will be linked from MN-ITS.

Multiple Line-level Authorization Numbers

Starting 7/15/09, providers have two options for submitting claims with authorization numbers:

1. Enter line-level authorization numbers; or

2. Enter a claim-level authorization number. MHCP will apply the claim-level authorization number to each line-level that does not contain an authorization number

Submit dates of services within one calendar month. Submit claims for services that do not require authorization on separate claims from services that require authorization. Until further notice, continue to submit authorized dental and waiver services on separate claims, one authorization number per claim.

Specific Provider/Service Type Changes

Changes effective July 15, 2009. MHCP will communicate any implementation date changes via RA Message:

Provider/Service Type	Change(s)	Do this in MN-ITS Interactive:	Do this in MN-ITS Batch (X12):
837P and 837I claims	Increase number of remarks codes from 3 to 5 to report Medicare coordination of benefits (COB)	Report up to 5 remarks codes on COB tab from claim in Medicare Remarks box	837P: Report up to 5 remarks codes in MOA03, 04, 05, 06 and 07 in Loop 2320 837I: Report up to 5 remarks codes in MOA03, 04, 05, 06, 07 or MIA05, 20, 21, 22, and 23 in Loop 2320
Chemical health (refer to CHM-09-01 for more detail on new coding guidelines)	<ul style="list-style-type: none"> Report room & board and treatment on same Institutional (837I) claim format Use new coding guidelines 	Use Inpatient (837I) and refer to new coding guidelines	Use X12 837 Institutional format and refer to new coding guidelines
Child and Teen Checkups (C&TC) services	Report S0302 in addition to all components of a C&TC exam to indicate a complete C&TC exam has been performed	Use Professional (837P)	Use X12 837 Professional format
Providers with consolidated NPIs that must report taxonomy code	Enter taxonomy code or contract information code with qualifier, whichever is most appropriate and on-file with MHCP/DHS	Use the Lookup button to add Location/Taxonomy	<ul style="list-style-type: none"> Send qualifier value in CN101 Enter contract information code in CN104 Enter taxonomy code in PRV segment in correlating loop
Federally Qualified Health Center / Rural Health Clinic (FQHC/RHC)	Submit FQHC/RHC medical services on Professional (837P) format (refer to CLN-09-01 for more details)	Use Professional (837P)	Use X12 837 Professional format
Hearing aids	<ul style="list-style-type: none"> Report model numbers Report binaural aids as 1 unit 	Use Professional (837P) <ul style="list-style-type: none"> Report the model number on the Services tab, DME Information section, Model Number field Report units on the Services tab, Unit field 	<ul style="list-style-type: none"> Report qualifier ADD in NTE01 Report "Model=" followed by model number in NTE02
Home health (home)	<ul style="list-style-type: none"> Submit claims on the 	Use Outpatient (837I)	Use X12 837

care therapies, PDN services, and SNV / HHA visits only ; for details, refer to HOM-09-02)	Institutional 837I format • Add revenue codes 041X through 044X and 055X through 060X to current HCPCS codes		Institutional format
Medical supplies and equipment	• Enter prescribing provider as Ordering provider • Enter modifiers (NU, RR, etc.) for all DME claims	Report DME prescribing provider NPI on Providers tab in the Other Provider Types section	Report DME prescribing provider NPI in NM109 of ordering provider segment in Loop 2420E
Outpatient physician-administered compound drug billing	Report up to 25 entries per line in NDC field (in addition to HCPCS code) to enable providers to bill compounds	• Enter one compound per claim • Enter up to 25 NDCs in the Drug Pricing segment	Report up to 25 iterations: • of LIN segment in Loop 2410 in 837I or 837P • for quantity of CTP segment
Skilled nursing facilities	Report Medicare payment amount in Payer Prior Payment field	No change	Report Medicare payment in AMT02 where AMT01=C4
Skilled nursing facilities	• Use level of care revenue code 019X (replaces 0101) • Itemize & enter ancillary services included in the case mix on the same claim • Report a private room as 0229 (one unit=one day)	Report new codes on Services tab, Revenue Code field of the Long Term Care (837I)	Report new codes as you previously reported in Loop 2400

Delayed Implementation

MHCP will notify providers about the following additional E3-related changes when they are implemented.

Provider/Service Type	Change
Critical Access Hospital (CAH)	Plan on submitting CAH Method II professional services on the Professional (837P) format, using appropriate HCPCS codes
Home infusion therapy	• For now, submit claims on the new MN-ITS Interactive Pharmacy/NCPDP claim format • Plan on submitting claims on the Professional 837P format, and including per diem HCPCS codes and compound drugs for rebate purposes
IRTS and crisis residential services	Plan on submitting claims on Institutional 837I format by January 1, 2010
Claims with third party liability (TPL, or other insurance)	MHCP will accept line-level TPL information soon. Refer to the MN-ITS User Guide for current procedures

Pharmacy Changes

Pharmacies can submit individual pharmacy claims via the new MN-ITS Interactive, New Claim, Pharmacy/ NCPDP option. This electronic format replaces the paper NCPDP UCF L1 form, which is no longer active.

Provider/Service Type	Change	Do this in MN-ITS Interactive:	Report on NCPDP/Point of Sale:
Pharmacy/NCPDP	Enter appropriate COB information for private insurance and MHCP	When reporting COB information using other coverage code 8 (billing for copay), enter the amount you want MHCP to pay in both the Gross Amount Due and Other Amount Claim Submitted fields	<ul style="list-style-type: none"> • 430-DU Gross Amount Due • 480-H9 Other Amount Claim Submitted • 478-H7 Count • 479-H8 Qualifier
Pharmacy/NCPDP	Allow the option of billing one line compound or continue to use the multiple line compound method	<p>One line compound: report NDC of the most expensive drug</p> <p>Multiple line compounds: report all NDCs</p> <p>Refer to the new step-by-step MN-ITS User Guide for Pharmacy/NCPDP</p>	<p>When reporting one NDC compound:</p> <ul style="list-style-type: none"> • Report 405-D6 compound code 2 • Complete both claim and compound segments
340B program participants	Add Basis of Cost Determination information to identify drugs purchased through the 340B program	To indicate the drug is 340B recognized, use Pharmacy/NCPDP Report 09 (other) on the Claim Information tab, Basis of Cost Determination field	Enter 09 in 423-DN

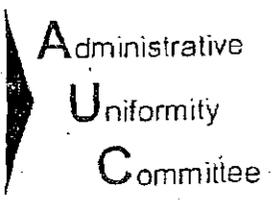
Additional Resources

- [H PAA EDI Implementation Guides](#)
- [MS 62J.536 Uniform Electronic Transactions and Implementation Guide Standards & Companion Guides](#)
- [MN-ITS User Guide](#)
- Previously published E3-related Provider Updates:
 - [Changes to Chemical Dependency Coding \(CHM-09-01\) \(03/19/09\)](#)
 - [Claims Submission Changes for FQHC/RHC Providers \(CLN-09-01\) \(06/12/09\)](#)
 - [Home Care Services Billing Changes & Clarification \(HOM-09-02\) \(04/03/09\)](#)
 - [Legislation Requires Electronic-only Claim Submission: Impact to Pharmacies \(LEG-08-02\) \(05/29/08\)](#)
 - [Legislation Requires Electronic-only Transaction Submission \(LEG-08-01\) \(02/29/08\)](#)
 - [NDC Reporting Clarification \(HPA-07-05R\) \(11/29/07\)](#)
 - [Void \("Take-Back"\) 837 Claims in MN-ITS \(MHP-09-01\) \(01/09/09\)](#)
- [Electronic Claim Attachments](#)

[Sign up](#) to receive Provider Updates and other MHCP notices in your e-mail account.

EXHIBIT D

Form # 651-431-7786



Uniform COVER SHEET For Health Care Claim Attachments



NOTE: To maximize use of this form, use of Microsoft Word version 2003 or later is recommended

TO: Other:

Select appropriate PAYER/GROUP PURCHASER from this drop-down box or the Other option

Tab or use your arrow keys to navigate to the next or previous text field.
For specific field directions refer to the
Instructions

Attachment Control Number:

Billing Provider ID #:

Billing Provider Name:

Patient ID #:

Patient Name:

<input type="text"/>	<input type="text"/>	<input type="text"/>
(Last)	(First)	(Middle)

Property and Casualty Claim #:

Attachment Send Date:

Total Number of Pages:

Contact Name/Phone #:

Disclaimer:

MN MEDICAL ASSISTANCE
 PO BOX 64166
 DEPT OF HUMAN SERVICES
 ST PAUL MN 55164

INV # 2029996
 HOLD: LOC: 1

1500

HEALTH INSURANCE CLAIM FORM

APPROVED BY NATIONAL UNIFORM CLAIM COMMITTEE 08/05

DEC 08 2010

(9009)
 2011

CARRIER
 PATIENT AND INSURER INFORMATION
 PHYSICIAN OR SUPPLIER INFORMATION

<input type="checkbox"/> PICA <input type="checkbox"/> MEDICARE <input type="checkbox"/> MEDICAID <input type="checkbox"/> TRICARE CHAMPUS <input type="checkbox"/> CHAMPVA <input type="checkbox"/> GROUP HEALTH PLAN <input type="checkbox"/> FECA BLK LUNG <input type="checkbox"/> OTHER (ID)		1a. INSURED'S I.D. NUMBER (For Program in Item 1)	
2. PATIENT'S NAME (Last Name, First Name, Middle Initial)		4. INSURED'S NAME (Last Name, First Name, Middle Initial)	
5. PATIENT'S ADDRESS (No., Street) CITY STATE ZIP CODE TELEPHONE (Include Area Code)		7. INSURED'S ADDRESS (No., Street) CITY STATE ZIP CODE TELEPHONE (Include Area Code)	
3. PATIENT'S BIRTH DATE MM DD YY SEX 07 06 2010 M F		6. PATIENT RELATIONSHIP TO INSURED Self <input checked="" type="checkbox"/> Spouse <input type="checkbox"/> Child <input type="checkbox"/> Other <input type="checkbox"/>	
8. PATIENT STATUS Single <input type="checkbox"/> Married <input type="checkbox"/> Other <input type="checkbox"/> Employed <input type="checkbox"/> Full-Time Student <input type="checkbox"/> Part-Time Student <input type="checkbox"/>		9. OTHER INSURED'S NAME (Last Name, First Name, Middle Initial)	
10. IS PATIENT'S CONDITION RELATED TO: a. EMPLOYMENT? (Current or Previous) YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> b. AUTO ACCIDENT? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> c. OTHER ACCIDENT? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> d. RESERVED FOR LOCAL USE		11. INSURED'S POLICY GROUP OR FECA NUMBER a. INSURED'S DATE OF BIRTH MM DD YY SEX M F b. EMPLOYER'S NAME OR SCHOOL NAME c. INSURANCE PLAN NAME OR PROGRAM NAME d. IS THERE ANOTHER HEALTH BENEFIT PLAN? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO If yes, return to and complete Item 9 a-d.	
12. PATIENT'S OR AUTHORIZED PERSON'S SIGNATURE I authorize the release of any medical or other information necessary to process this claim. I also request payment of government benefits either to myself or to the party who accepts assignment below. SIGNATURE ON FILE 10/20/10 SIGNED DATE		13. INSURED'S OR AUTHORIZED PERSON'S SIGNATURE I authorize payment of medical benefits to the undersigned physician or supplier for services described below. AUTHORIZATION ON FILE SIGNED	
14. DATE OF CURRENT ILLNESS (First symptom) OR INJURY (Accident) OR PREGNANCY (LMP) MM DD YY		15. IF PATIENT HAS HAD SAME OR SIMILAR ILLNESS, GIVE FIRST DATE MM DD YY	
17. NAME OF REFERRING PROVIDER OR OTHER SOURCE DR ASHAJYOTHI SIDDAPPA		17a. ICD-9-CM 17b. NPI 1649284647	
18. HOSPITALIZATION DATES RELATED TO CURRENT SERVICES FROM MM DD YY TO MM DD YY		20. OUTSIDE LAB? YES <input type="checkbox"/> NO <input type="checkbox"/> \$ CHARGES	
21. DIAGNOSIS OR NATURE OF ILLNESS OR INJURY. (Relate Items 1, 2, 3 or 4 to Item 24E by Line) 1 770 7 3 770 81 2 769 4 747 0		22. MEDICAID RESUBMISSION CODE ORIGINAL REF. NO. 23. PRIOR AUTHORIZATION NUMBER	
24. A. DATE(S) OF SERVICE From MM DD YY To MM DD YY 10/22/10 to 10/22/10		B. PLACE OF SERVICE C. EMG D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances) BED WEDGE FOAM 12" 30 DEGREES E0190 NU 1,2,3,4	
25. FEDERAL TAX I.D. NUMBER 41-1656511 26. PATIENT'S ACCOUNT NO. Z029996 27. ACCEPT ASSIGNMENT? (For gov. claims, see back) <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		F. \$ CHARGES 59 88 G. DATE OF WRITE OFF H. ICD-9-CM I. ID. QUAL J. RENDERING PROVIDER ID. #	
28. TOTAL CHARGE \$ 59 88 29. AMOUNT PAID \$ 30. BALANCE DUE \$ 59 88		31. SIGNATURE OF PHYSICIAN OR SUPPLIER INCLUDING DEGREES OR CREDENTIALS (I certify that the statements on the reverse apply to this bill and are made a part thereof.) LAURIE FINCH SIGNED 12/07/10 DATE	
32. SERVICE FACILITY LOCATION INFORMATION PEDIATRIC HOME SERVICE 2800 CLEVELAND AVENUE NORT ROSEVILLE, MN 55113-2501		33. BILLING PROVIDER INFO & PH # (651) 642-1825 PEDIATRIC HOME SERVICE 2800 CLEVELAND AVENUE NORTH ROSEVILLE, MN 55113-2501 1629141213	

MERCY SURGICAL DRESSING GR INC
 4 ZESTA DRIVE
 PITTSBURGH, PA 15205
 TELEPHONE: (724) 873-3150 FAX: (724) 873-3158 EMAIL: INFO@MERCYSURGICAL.COM

TOTAL AMOUNT PAID ON
 THIS INVOICE # 1124168 \$ _____

PH: _____

I N V O I C E
 INVOICE # 1124168

Control # 2029996

BILL TO:

SHIP TO:

PEDIATRIC HOME SERVICE
 2800 CLEVELAND AVE. NORTH
 ROSEVILLE, MN 55113

PEDIATRIC HOME SERVICE
 2800 CLEVELAND AVE. NORTH
 ROSEVILLE, MN 55113

DATE	ORDER #	CUSTOMER #	SPECIALIST	DOCUMENT NUMBER	SHIP VIA	TERMS	PURCHASE ORDER #
05/13/10	1334373	88442	20	1124168		Net 030 days	01028

Please tear on perforated line and return above portion with payment

DATE	ORDER #	CUSTOMER #	SPECIALIST	DOCUMENT NUMBER	SHIP VIA	TERMS	PURCHASE ORDER #
05/13/10	1334373	88442	20	1124168		Net 030 days	01028

ORDERED	SHIPPED	BACKORDER (*)	PRODUCT NO.	PRODUCT DESCRIPTION AND SIZE		PRICE UM	EXTENDED
6.00BX	6.00	0.00	3M1626W	Tegaderm 4" X 4.75", Transparent	Film Dressing, Fram	42.9591/BX	257.59
3.00BX	3.00	0.00	3M1624W	Tegaderm 2 3/8" X 2 3/4"	2 3/8" X 2 3/4"	29.5006/BX	88.50
5.00BX	5.00	0.00	JOJJ2982	Fibracol Plus, 4" X 4 3/8", Alginate		101.9675/BX	505.84
4.00BX	1.00	3.00	CA401453	Sur-Pit**Auto-Loc Drainpch 1 3/4"	See H018402	32.7428/BX	12.74
6.00EA	6.00	0.00	CA1635-10	Stomahesive**Paste, 2 Ounces	See H079500	7.4257/EA	44.56
2.00EA	2.00	0.00	MSXFW102	Bed Wedge, Lg, Foam, 12x24x24	Blue Or White	16.2793/EA	36.56
2.00EA	2.00	0.00	MSXFW100	Bed Wedge, Foam, 7.5x24x24	Blue Or white	15.5006/EA	31.00

18.028 x 20% = 21.94

Lori Holmstrom
 MAY 25 2010

NET AMOUNT..... 1,001.21
 TAX AMOUNT..... 0.00
 NONALLOWED AMT: 0.00
 PAYMENTS..... 0.00
 TOTAL DUE..... 1,001.21

SEND ABOVE PORTION ALONG WITH CHECK PAYABLE TO:
 MERCY SURGICAL DRESSING GROUP, INC.
 4 ZESTA DRIVE, PITTSBURGH, PA 15205

MS: NET 30 DAYS F.O.B. SHIPPING. MERCHANDISE RETURNABLE WITH PACKING/DELIVERY SLIP ONLY. ALL CLAIMS MUST BE MADE WITHIN 30 DAYS IN DATE SHIPPED. ACCEPTANCE OF MERCHANDISE IS PURCHASER ACCEPTANCE OF CREDIT TERMS PURSUANT TO MSDG'S ORDER. SHIPMENT, BILLING AND TURN POLICY. PRICES SUBJECT TO CHANGE WITHOUT NOTICE. CUSTOMER REAFFIRMS ITS AGREEMENT TO PAY ATTORNEY'S FEES, COSTS AND EXPENSES COLLECT ON DELINQUENT ACCOUNTS INCLUDING INTEREST OF 18% PER ANNUM WHICH SHALL ACCRUE ON ANY AMOUNTS OWING FOR MORE THAN 30 DAYS.

(*) BACKORDERS WILL BE SHIPPED AND BILLED SEPARATELY

To order, contact: Tom Koenig, Product Specialist, at 800-637-2950 ext. 234.

For payment questions, contact Shirley Grayson, Accounts Receivable, at 724-873-3150 x-219. (000,0502) Invoices (11/05/11/03)

EXHIBIT E



5910 Rice Creek Parkway, Ste 1000, Shoreview, MN 55126

Innovative programs. Outstanding customer service.™

THIRD PARTY Invoice

P.O.S.	ACCT. NO.	DATE	INVOICE #
12	12412	6/1/2011	222940

BILL TO	DELIVERED JUN 02 2011
MN MEDICAID-WAIVER SA#10389011695 DOS 2/01/11-1/31/12	

SHIP TO
██████████ 779 AURORA AVENUE ST PAUL, MN 55104

REP	SMT	SHIP DATE	6/3/2011	ROUTE	SHIP VIA	SPEEDEE			
CALLER/PO	CSR	TERMS	DUE DATE	NOTES:					
JEAN/EMAIL	KMS	30 DAYS	7/1/2011						
ITEM	UOM	QTY	DESCRIPTION	MFG.	MFG. NO.	HCPC	B/O	UNIT AMT.	EXT. AMT.
ENT-50462	CS	1	ENSURE, CHOC, 8oz, W/IMMUNBALANCE, 250CAL/CN, 24/CS, CS	ROSS0	50462	B4150		60.20	60.20
ENT-50648	CS	2	ENSURE, STRAWBERRY, 8oz, W/IMMUNBALANCE, 250CAL/CN, 24/CS, CS	ROSS0	50648	B4150		60.20	120.40
INC-A500F48-EA	TB	5	WET WIPES, HYGEA FLUSHABLE, 5.25x5.375", W/ALOE & VITAMIN E, ALCOHOL FREE, 12TB/CS, 48/TB, TB	PD01	A500F48			3.54	17.70
LIN-AFOCM10	PR	2	AFO SOCK, COOL MAX, ADULT MEDIUM FOR MEN SHOE SIZE 9-12, WHITE, WORN UNDER BRACES, 3PR/PK, PR	HLTHY	AFOLSCM10			19.00	38.00
DISCOUNT	EA		SUBTOTAL ALL ITEMS DISCOUNT ON SALES MEMORIZED DATE 6/3/2011					-20.00%	236.33 -47.26

PARENT ORG.	MT OLIVET	Subtotal	\$189.04
Customer Phone	651-207-5465	Sales Tax (6.5%)	\$0.00
Customer Contact	JEAN	Total	\$189.04
BILLED 6/2 JUN 08 2011 FOR QUESTIONS CALL: METRO: 651-792-3860 TOLL FREE: 1-877-309-4271 PLEASE REMIT PAYMENT TO ADDRESS LISTED ABOVE.		Payments/Credits	\$0.00
		Balance Due	\$189.04

1A

C

Key

1B

12412

FEBRUARY 05, 2011

State of Minnesota
Home and Community Based Services

PO Box 64967
St. Paul, MN 55164-0967

KEY MEDICAL SUPPLY INC
5910 RICE CREEK PKWY
STE 1000
SHOREVIEW, MN 55126-5023

RECEIVED
FEB 08 2011
BY: LML

Provider ID 1013946219

This CADI DIV service agreement has been reviewed. Clients must continue to meet program eligibility criteria and in the case of the waiver programs be eligible for Medical Assistance. It is the provider's responsibility to review the client's continued program eligibility on the Eligibility Verification System prior to submitting claims for these services. For claim payment, providers must continue to be actively enrolled to provide these service(s). If you have any questions regarding the services listed on this authorization, please contact the Case Manager.

Case Manager Name and Number: LAURA MUELLER

952-361-1612

A181717500

SERVICE AGREEMENT#	RECIPIENT ID	RECIPIENT NAME	EFFECTIVE DATE	THROUGH DATE
10389011695	[REDACTED]	[REDACTED]	02/01/11	01/31/12

LINE NBR	STATUS	PROCEDURE CODE	MOD1-4	PROCEDURE DESCRIPTION
05	APPROVED	T2C29		SPECIALIZED EQUIPMENT/SUPPLIES ENSURE STERILE WIPES,AFO SOCKS

Total Amount: \$3,000.00 Rate/Unit:
Quantity: Start Date: 02/01/11 End Date: 01/31/12

864 THIS ITEM MAY NOT BE PAID WITH WAIVER OR AC FUNDS IF OTHER MORE APPROPRIATE FUNDING IS AVAILABLE.

Upon request, this information will be made available in an alternative format, such as Braille, large print, or audiotape.

LID R2450BPQUO PROV

Professional (837P) MN-ITS Interactive Claim

This claim has been submitted for adjudication as Claim Number 91115900400006554.	Page last updated: 06/08/2011 14:45
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MN Department of Human Services
 41-1674742
 DHS CUSTOMER SERVICE
 6514312700 8003665411

RECEIVER

ID: 1013946219	Name: KEY MEDICAL SUPPLY INC
----------------	------------------------------

PROVIDER

ID: 1013946219	Name: KEY MEDICAL SUPPLY INC
----------------	------------------------------

SUBSCRIBER

ID: ██████████	Name: ██████████
Birth Date: 06/01/1991	Gender: M

CLAIM INFORMATION

Claim Status P1 Category:	Claim Status: 3
Status Date: 06/08/2011	Total Submitted Charges: \$189.04
Claim Payment: \$0.00	Adjudication Date:
Check/EFT Date:	Check/EFT Trace Number:
Payer Claim Control Number: 91115900400006554	Payment Method:
Medical Record Number:	Service Period: 06/03/2011 - 06/03/2011
Type of Bill:	

SERVICE LINE INFORMATION

From Date:	To Date:	Revenue Code:	Procedure:	Modifiers:	Charges:	Units:
06/03/2011	06/03/2011		T2029	...	\$189.04	1.00
Claim Status P2 Category:			Claim Status: 421			
Line Item Control Number: 1			Status Information Effective Date: 06/08/2011			
Line Item Charge: \$189.04			Line Item Provider Payment: 0.00			

EXHIBIT F



2A

THIRD PARTY Invoice

5910 Rice Creek Parkway, Ste 1000, Shoreview, MN 55126

Innovative programs. Outstanding customer service.™

P.O.S.	ACCT. NO.	DATE	INVOICE #
12	14244	6/27/2011	226757

BILL TO
MN MEDICAID
SHIPPED
JUN 27 2011

SHIP TO
[REDACTED]
C/O CCRI-30TH 495 30TH ST N MOORHEAD MN 56560

REP	NMT	SHIP DATE	6/27/2011	ROUTE	SHIP VIA	SPEEDEE
-----	-----	-----------	-----------	-------	----------	---------

CALLER/PO	CSR	TERMS	DUE DATE	NOTES:
DENISE	RP	30 DAYS	7/27/2011	

ITEM	UOM	QTY	DESCRIPTION	MFG.	MFG. NO.	HCPC	B/O	UNIT AMT.	EXT. AMT.
INC-TR2122	CS	1	BRIEF, MED, 32-44", SLIM-LINE SUPER ABSORBENT, 96/CS, 12/BG, 8BG/CS, CS	PBE01	2122	*T4522...		90.24	90.24
INC-TR2122-BAG	BG	4	BRIEF, MED, 32-44", SLIM-LINE SUPER ABSORBENT, 96/CS, 12/BG, 8BG/CS, BG	PBE01	2122	*T4522...		11.28	45.12
INC-NU-012	CS	1	BRIEF, NU-FIT, MED, 32"-44", 16/BG, 6BG/CS, 96/CS, CS	FQUAL	NU-012/1	*T4522...		69.12	69.12
INC-NU-012-BAG	BG	3	BRIEF, MED 32-44", NU-FIT, 6BG/CS, 16/BG, BG	FQUAL	NU-012/1	*T4522...		11.52	34.56
INC-1093-BAG	BG	6	UNDERPAD, 23x36", DURASORB BED PAD, 10/BG, BG	KNDLL	1093	*T4541...		6.70	40.20
GLV-413-45	BX	4	GLOVE, VINYL PF, LRG, GENTLE GUARD, 100/BX, BX	PRIPR	413-45	*A4927		9.00	36.00
ENT-0123-12	EA	4	EXT. SET, 12" for BOLUS FEEDING FOR MIC G-TUBE W/SINGLE PORT CLAMP, EA	BALLA	0123-12	*B9998...		14.11	56.44
SYR-250610	EA	31	SYRINGE, 60CC POLE BAG, FLAT TOP, 2 TIPS (CATH & REG) W/DARK MARKINGS, NON-STERILE, EA	PROAD	P250610	B4034		5.93	183.83

PARENT ORG.	CCRI	Subtotal
Customer Phone	218-287-1686	Sales Tax (6.875%)
Customer Contact	WENDY	Total
BILLED JUL 05 2011 FOR QUESTIONS CALL: METRO: 651-792-3860 TOLL FREE: 1-877-309-4271		Payments/Credits
		Balance Due
	PLEASE REMIT PAYMENT TO ADDRESS LISTED ABOVE.	



2B

THIRD PARTY Invoice

5910 Rice Creek Parkway, Ste 1000, Shoreview, MN 55126

Innovative programs. Outstanding customer service.™

P.O.S.	ACCT. NO.	DATE	INVOICE #
12	14244	6/27/2011	226757

BILL TO
MN MEDICAID

SHIP TO
████████████████████
C/O CCRI-30TH 495 30TH ST N MOORHEAD MN 56560

REP	NMT	SHIP DATE	6/27/2011	ROUTE	SHIP VIA	SPEEDEE			
CALLER/PO	CSR	TERMS	DUE DATE	NOTES:					
DENISE	RP	30 DAYS	7/27/2011						
ITEM	UOM	QTY	DESCRIPTION	MFG.	MFG. NO.	HCPC	B/O	UNIT AMT.	EXT. AMT.
WND-A9220	TR	1	GAUZE, 2x2, SPLIT SPONGE, DRAIN, NOTCHED FOR TRACHE & IV, NON WOVEN, 6 PLY, STERILE, 35PK of 2 per TR, TR	AMDRI	A9220	A6402		0.00	0.00
WND-A5110	RL	1	TAPE, 1in., PAPER SURGICAL, 1in.x10YD, HYPOALLERGENIC, RL	AMDRI	A5110	A4450		0.00	0.00
OXY-610	EA	1	SUCTION CANNISTER, 800CC, W/LID, EA	MEIND	610-48	A7000		7.70	7.70
OXY-7305D-608-EA	EA	1	FILTER, IN LINE, FOR USE WITH 7305P-D SUCTION MACHINE, EA	DVLBS	7305D-608	A9999		5.50	5.50
DISCOUNT-MA 4.49%			SUBTOTAL ALL ITEMS 2009 MA PAYMENT REDUCTION MEMORIZED DATE 7/3/11					-4.49%	568.71 -25.54

PARENT ORG.	CCRI	Subtotal	\$543.17
Customer Phone	218-287-1686	Sales Tax (6.875%)	\$0.00
Customer Contact	WENDY	Total	\$543.17
FOR QUESTIONS CALL: METRO: 651-792-3860 TOLL FREE: 1-877-309-4271		Payments/Credits	\$0.00
PLEASE REMIT PAYMENT TO ADDRESS LISTED ABOVE.		Balance Due	\$543.17

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Professional (837P) MN-ITS Interactive Claim

This claim has been submitted for adjudication as Claim Number 91118600400002604.

Page last updated: 07/05/2011 11:58

MN Department of Human Services
41-1674742
DHS CUSTOMER SERVICE
6514312700 8003665411

RECEIVER

ID: 1013946219

Name: KEY MEDICAL SUPPLY INC

PROVIDER

ID: 1013946219

Name: KEY MEDICAL SUPPLY INC

SUBSCRIBER

ID: 00438186

Name: [REDACTED]

Birth Date: 05/23/1978

Gender: F

CLAIM INFORMATION

Claim Status P2
Category: P2

Claim Status:

Status Date: 07/05/2011

Total Submitted Charges: \$11.00

Claim Payment: \$0.00

Adjudication Date:

Check/EFT Date:

Check/EFT Trace Number:

Payer Claim Control Number: 91118600400002604

Payment Method:

Medical Record Number:

Service Period: 06/27/2011 - 06/27/2011

Type of Bill:

SERVICE LINE INFORMATION

From Date:	To Date:	Revenue Code:	Procedure:	Modifiers:	Charges:	Units:
06/27/2011	06/27/2011		A9999	NU, , ,	\$11.00	1.00

Claim Status P2
Category:

Claim Status: 46

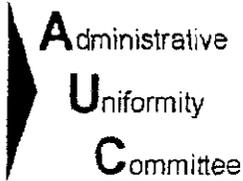
Line Item Control Number: 1

Status Information Effective Date: 07/05/2011

Line Item Charge: \$11.00

Line Item Provider Payment: 0.00

2D



Uniform COVER SHEET For Health Care Claim Attachments



NOTE: To maximize use of this form, use of Microsoft Word version 2003 or later is recommended

TO: MN Dept of Human Services - 651-431-7786

Select appropriate PAYER/GROUP PURCHASER from this drop-down box or the Other option

Tab or use your arrow keys to navigate to the next or previous text field.
For specific field directions refer to the
Instructions

Attachment Control Number:

14244KM226757

Billing Provider ID #:

1013946219

Billing Provider Name:

Key Medical Supply

Patient ID #:

[REDACTED]

Patient Name:

[REDACTED] [REDACTED] [REDACTED]

(Last)

(First)

(Middle)

Property and Casualty Claim #:

[REDACTED]

Attachment Send Date:

7/5/2011

Total Number of Pages:

3

Contact Name/Phone #:

ERIK 651-789-8230

Disclaimer:

FAXED
651-789-8230

2E



QUOTE CONFIRMATION

QUOTE DETAIL (Retail & Dealer Pricing)

Page: 1

Sold To
 KEY MEDICAL SUPPLY INC
 1880 PARK VIEW DRIVE SUITE 500

SHOREVIEW
 MN 55126

Ship to
 KEY MEDICAL SUPPLY INC
 1880 PARK VIEW DRIVE SUITE 500

SHOREVIEW
 MN 55126

Customer P.O.: QUOTE
 Quote Number: 869917
 Mark For:
 Customer Reference:
 Fax Date: 4/04/08
 Customer Number: 803671
 Fax Number: (651) 789 8250

Quote Date: 4/04/08
 Phone Number: 6517923860
 Est Ship Date: 4/18/08
 Ship Via:
 Buyer Name: JESSE
 Cust Serv Rep: BRANTV

Item	Description
73030-608	BACTERIA FILTER (NON-STERIL)
MHSE MA: FIN GOODS-RESPIRATORY/SOMERSET	
Estimated Ship Date: 4/18/08	

UM	Qty	Retail Price	Net Price	Total Price
PK	1	66.00		

66 ÷ 12 = *\$5.50 EACH

Retail Total: **66.00**
 Net Total:

QUOTE:

EXHIBIT G



On time. On site. On schedule.™

5910 Rice Creek Parkway, Ste 1000, Shoreview, MN 55126

Phone # 651-792-3880 Fax # 651-792-3867

Bill To

MN MEDICAID

Ship To

C/O ACR-HILLCREST
16351 N HILLCREST CT
EDEN PRAIRIE MN 55346

EQP INVOICE

Due Date	P.O.S.	Account #	S.O. No.	Date	Invoice #
7/3/2011	12	11155	11123	6/3/2011	14557

P.O. #	TRISHAP/JAJM
Terms	30 DAYS
Rep	TCT
Ship	6/1/2011
SHIP VIA	OUR TRUCK
CONTRACT Y/N	

PARENT ORG. ACR

NOTES	COUNTY	Customer Contact	Customer Phone
	HENNEPIN	ASHLEY	651-339-4383

QTY	Item Code	UOM	Description	MFG NAME	MFG #	HGPC	Rate	TOTAL
8	SERV.TRIP 1	EA	SERVICE CALL-TRIP 1, 15 MIN., EA				30.00	240.00
	DISCOUNT SERVICE		RETAL PRICE - ALL ITEMS				-50.00%	240.00
1	PARTS-AC088396	EA	DISCOUNT TO ALLOWABLE FOR SERVICE CALLS TRAY RETAINING STRAP, EA KEYTAG#25997 SERIAL#CGT-040131	TAG01	AC088396	K0108	23.80	-120.00
								23.80

BILLED
JUN 06 2011

Subtotal	\$143.80	Sales Tax (7.275%)	\$0.00	Total	\$143.80	Payments/Credits	\$0.00	Balance Due	\$143.80
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Professional (837P) MN-ITS Interactive Claim

This claim has been submitted for adjudication as Claim Number 91115700400002188.	Page last updated: 06/06/2011 10:55
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MN Department of Human Services
 41-1674742
 DHS CUSTOMER SERVICE
 6514312700 8003665411

RECEIVER

ID: 1013946219	Name: KEY MEDICAL SUPPLY INC
----------------	------------------------------

PROVIDER

ID: 1013946219	Name: KEY MEDICAL SUPPLY INC
----------------	------------------------------

SUBSCRIBER

ID: [REDACTED]	Name: [REDACTED]
Birth Date: 03/11/1969	Gender: F

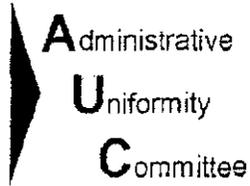
CLAIM INFORMATION

<u>Claim Status</u> P2	<u>Claim Status:</u>
<u>Category:</u> P2	Total Submitted Charges: \$45.22
Status Date: 06/06/2011	Adjudication Date:
Claim Payment: \$0.00	Check/EFT Trace Number:
Check/EFT Date:	Payment Method:
Payer Claim Control Number: 91115700400002188	Service Period: 06/01/2011 - 06/01/2011
Medical Record Number:	
Type of Bill:	

SERVICE LINE INFORMATION

From Date:	To Date:	Revenue Code:	Procedure:	Modifiers:	Charges:	Units:
06/01/2011	06/01/2011		K0108	NU,,,	\$45.22	1.00
<u>Claim Status</u> P2	<u>Claim Status:</u> 421					
<u>Category:</u> P2	46					
Line Item Control Number: 1	Status Information Effective Date: 06/06/2011					
Line Item Charge: \$45.22	Line Item Provider Payment: 0.00					

30



Uniform COVER SHEET For Health Care Claim Attachments

NOTE: To maximize use of this form, use of Microsoft Word version 2003 or later is recommended



TO: MN Dept of Human Services - 651-431-7786

Select appropriate PAYER/GROUP PURCHASER from this drop-down box or the Other option

Tab or use your arrow keys to navigate to the next or previous text field.
For specific field directions refer to the
Instructions

Attachment Control Number: 11155KE14557

Billing Provider ID #: 1013946219

Billing Provider Name: Key Medical Supply

Patient ID #: [REDACTED]

Patient Name:

[REDACTED]	[REDACTED]	
(Last)	(First)	(Middle)

Property and Casualty Claim #: [REDACTED]

Attachment Send Date: 6/6/2011

Total Number of Pages: 3

Contact Name/Phone #: SHERRY PROCHNOW (651) 789-8244

Disclaimer: