



# Waiver Reimagine: Individualized Budgets

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# Minnesota's Disability Waiver System

- Over 57,000 Minnesotans with disabilities live, work and engage in their communities with support from home and community-based waiver services (HCBS)
- There are 4 disability waivers with varying eligibility criteria, services, administrative requirements, and resource allocation methods
- DHS and lead agencies, our county and tribal partners, administer the disability waivers.
- In Fiscal Year 2020, disability waiver spending was just over \$3 billion, with about half state spending and half federal funding. By Fiscal Year 2024, this spending is projected to exceed \$4 billion per year.

# Waiver Reimagine

Waiver Reimagine will improve the overall disability home and community-based waiver system. so that it's more **person-centered, easier to understand, and simpler to navigate.**

Common  
service menu  
across all waivers

Two waiver  
system based on  
where a person  
lives and not on  
their diagnosis

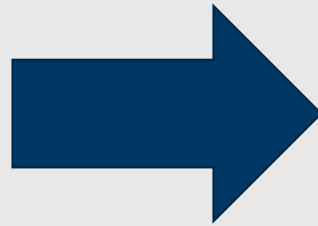
A known and  
transparent  
budget based on a  
person's needs

Increase flexibility  
to self-direct

# Current & individual budgeting methodology

## Current budget methodology

- 87+ budgeting methods across lead agencies
- Amount of funds available to a person is unclear before support planning
- Which county you live in can determine your budget amount
- Self-direction has its own funding methodology



## Individual budget methodology

- One budgeting method
- Amount of budget known before support planning
- Budget amount is based on your individual needs
- Self-direction shares the same methodology

# Balancing quantitative and qualitative development

Since development work on individual budgets began in 2018, the project team has engaged in large-scale research that relied on both quantitative and qualitative work. This included:

- Statistical analysis on over 100 million MNCHOICES data points to determine support ranges
- Multi-year studies of service usage, service rates, and rates calculations
- Numerous surveys and in-depth record reviews by Minnesota disability experts that created an additional 33,000 data points to compare to quantitative findings.

# Individual Budgeting Methodology

# Methodology for developing individual budgets

## Step 1: Identify number of support ranges

- Analyze assessment, service, and claims to determine the appropriate number of support ranges to best fit the current population across all waivers

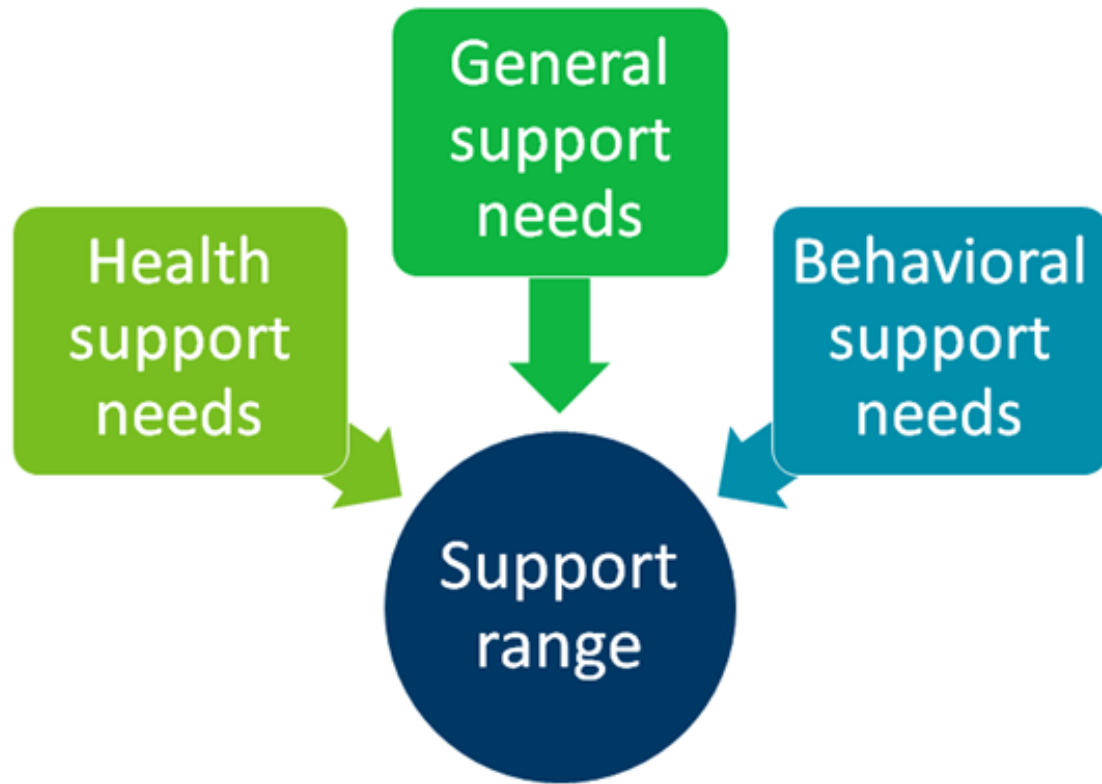
## Step 2: Create methodology for assigning support ranges

- Determine the assessment questions that best assign level of need.
- Develop support range descriptions and confirm the methodology through an expert panel review, altering as needed.

## Step 3: Determine budget values for each support range

- Determine the services commonly used by people within the support range as well as amount and rates. Combine the services together to determine the support range's total budget amount.

# How is the support range assigned?



- A combined score across each of the following assessment areas would determine the support range:
  - General support needs
  - Health support needs
  - Behavioral support needs.
- No single question or handful of questions would determine the support range.



# Support ranges for adults

1	Low general support need with typical health and behavioral support needs
2	Moderate general support need with typical health and behavioral support needs
3	High general support need with typical health and behavioral support needs
4	Extensive general support need with typical health and behavioral support needs
L	Low to moderate general support need with high health and/or high behavioral support needs
H	High to extensive general support need with high health and/or high behavioral support needs
E	Any general support need with extraordinary health and/or behavioral support needs

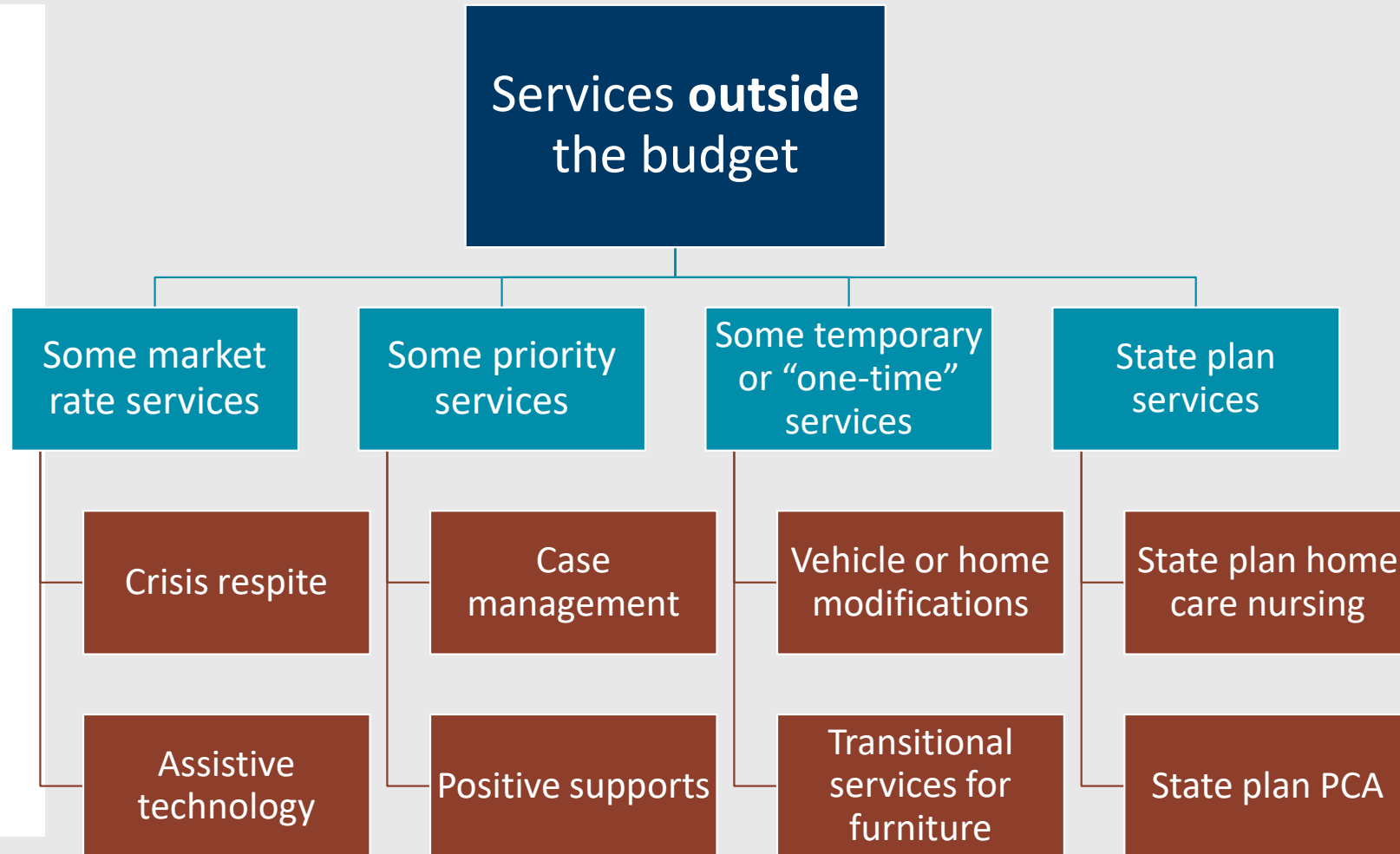
Separate sets of support ranges have been developed for children and adults. This is to reflect the changing needs of children as they grow.

## Support Ranges for children ages 0 to 5

L	Children with low to moderate general support need with or without high health and/or high behavioral support needs
H	Children with high to extensive general support need with or without high health and/or high behavioral support needs
E	Children with any general support need with extraordinary health and/or behavioral support needs

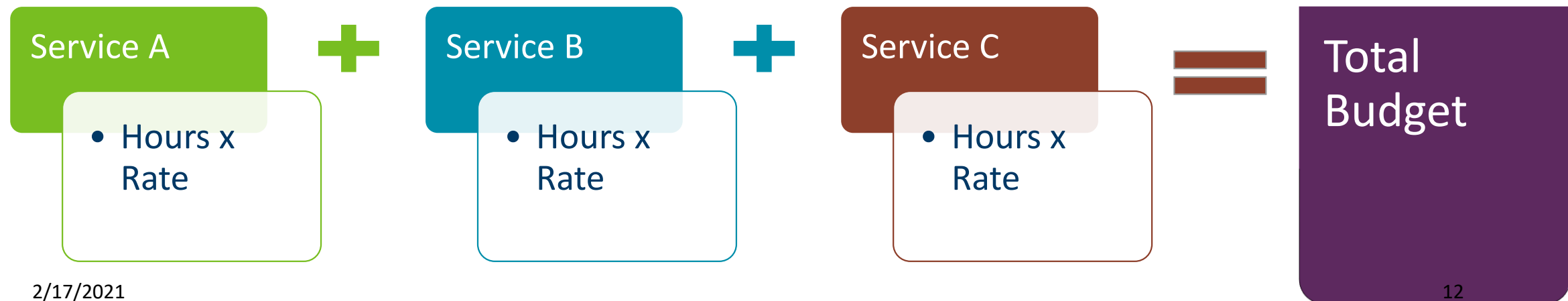
# Not all services count against a budget

- DHS proposes that some services should remain “**outside**” the budget
- Spending on these services will **not count** against a person’s total budget



# Determining budget values for each support range?

- Budget values were created using a service mix, which is an estimate of the types and amounts of services needed by individuals in each support range, for each living setting, and for adults and children
  - Service mixes use assumptions from inputs in the appropriate DWRS frameworks to determine the precise budgets
  - Service mixes don't dictate service use--individuals can use their budget flexibly to buy the services that they want and need



# Service Mix Example

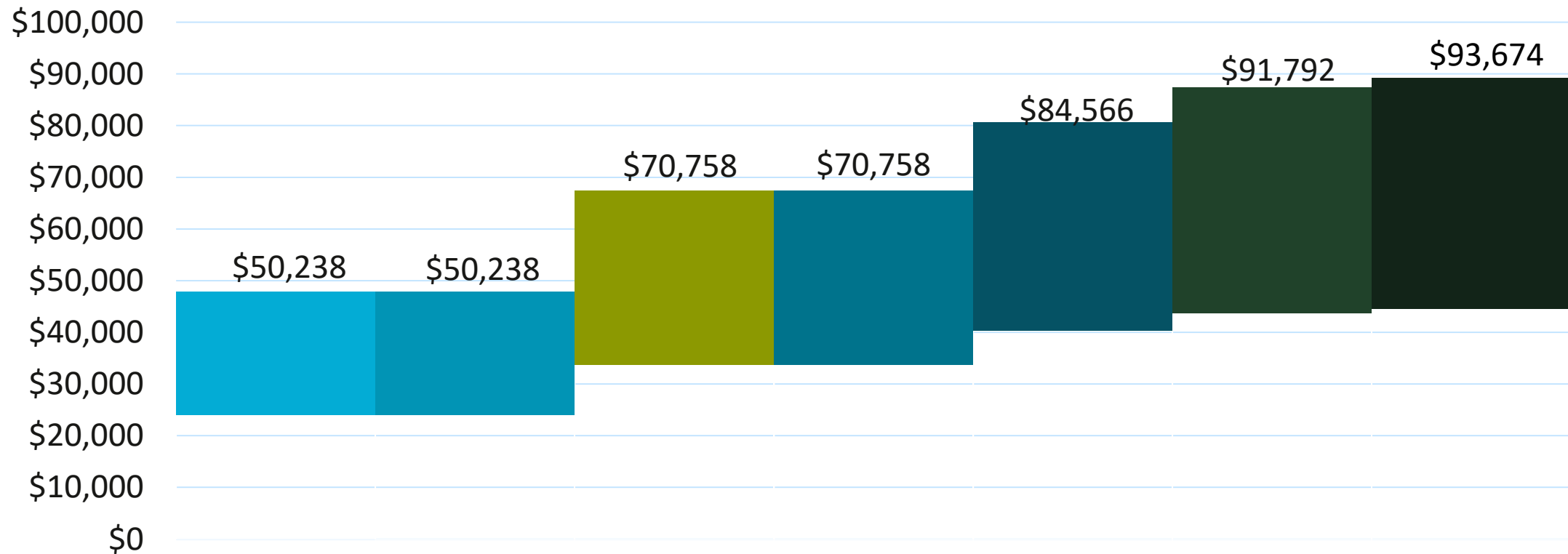
## Budget Range 3 for a Person who Lives Independently (Adult)

Individualized home supports (17 hours/week)	\$37,604
Extended personal care (7 hours/week)	\$6,230
Day support (7 hours per week) and Employment support (7 hours per week)	\$20,789
Total	\$67,389
Budget range	\$33,695 to \$70,758

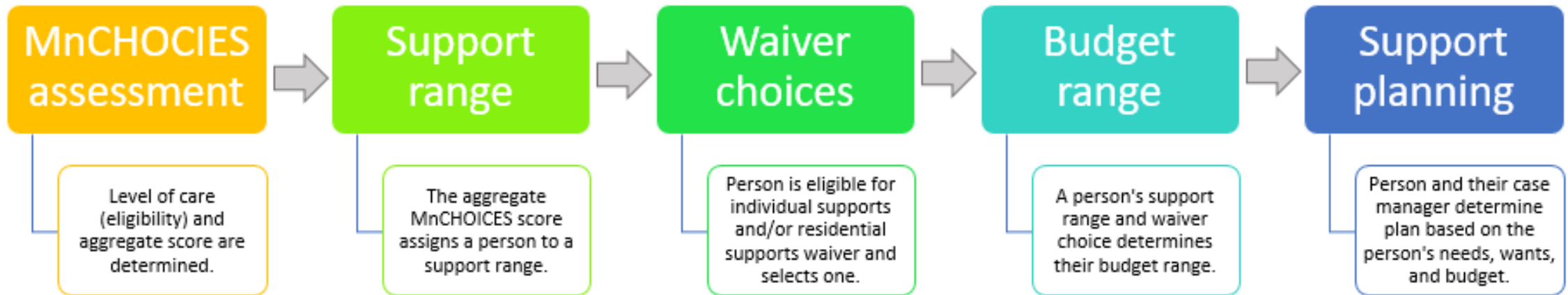
The service mix determines the total budget but does not dictate which services a person will use. The person will have this budget range to purchase the services that they choose works best for them.

# Determining Budget Values for Each Support Range

## Example: Total Budget Ranges for adults living independently



# Individual budgets in the service planning process

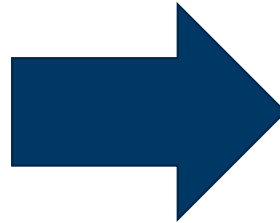


A person will now have access to their budget amount *before* support planning, empowering them to make decisions as to which services and supports work best for them.

# Expanding access to information

## Current online resources

- People must go through their lead agency case manager or other advocates to get copies of their assessments or service plans
- There is a lack of public and understandable information about disability waiver services for those planning their lives



## Online Waiver Service Planning Tool

- People will...
  - Have access to their personal information in an understandable format available instantly online
  - Be empowered with information before planning their services and supports
  - Be able to learn about new services, living options, and help them self-direct and manage their services

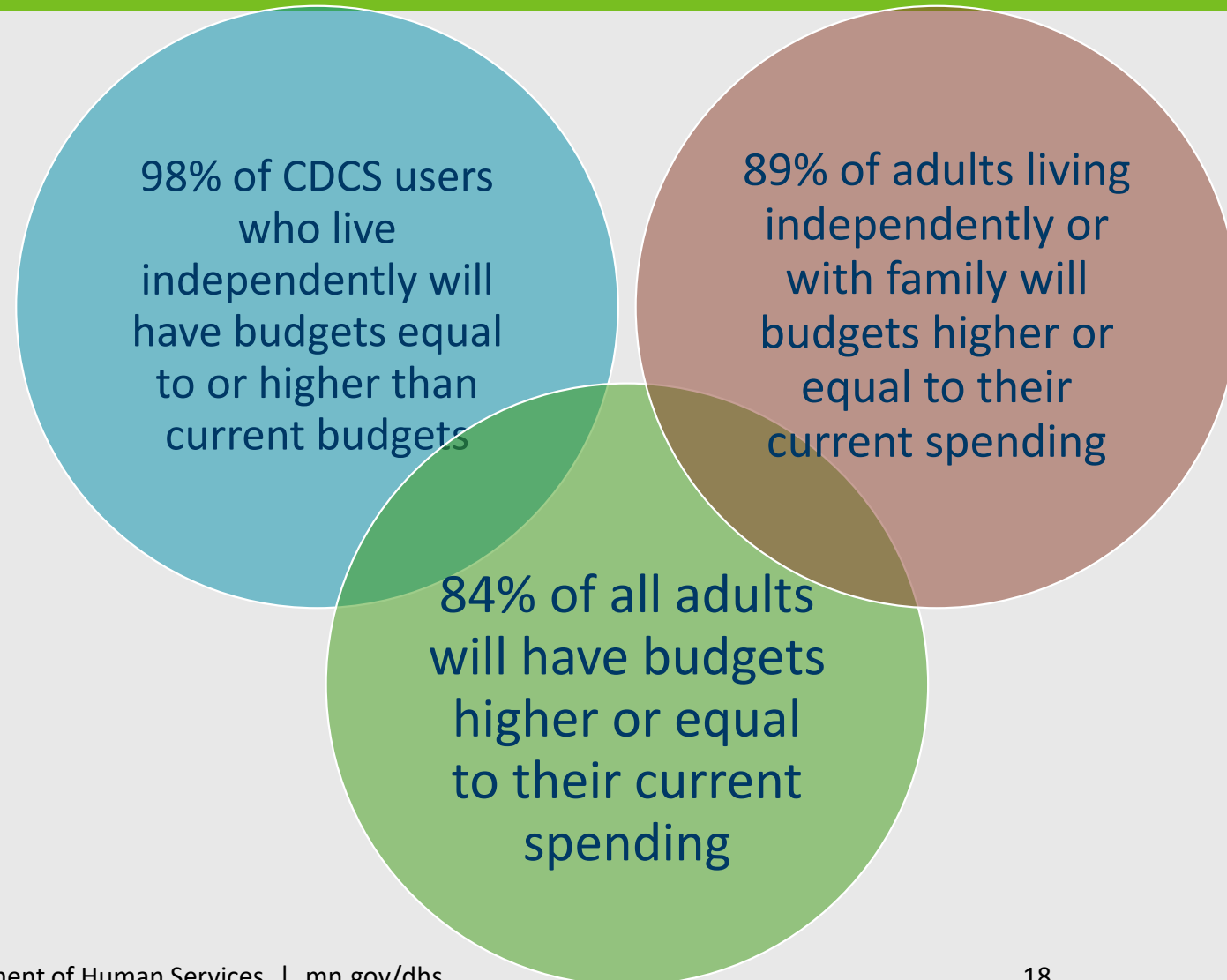


# Individual Budgets from a Systems Perspective

- People have access to a transparent and equitable budget, no matter where they live or what their diagnosis may be.
- Lead agencies can support people in service planning without having to financially balance the needs of people across their agency
- Individual budgets can provide more information about the needs of people across Minnesota, driving a data-based conversation about future needed policy changes

# Impact of individual budget implementation

- DHS completed extensive analysis of individual's current and past spending in order to ensure the least disruption upon implementation of individual budgets
- For people whose budgets do not fully address their needs, there will be an exceptions process



# Frequently Asked Questions

# Why are budgets higher for people choosing to live in a residential setting?

- Budget amounts are based on the services available where the person lives and the cost of those services. Residential services have legislatively-set higher rates than other services available on the waivers.
- While the total budget is higher for people in residential services due to the rates paid, the buying power for people in their own homes and family homes is greater because they are able to choose the services that fit their lives from a larger menu of services.
- Overall, the budgets provide more funding for people living in their own homes and family homes. The proposed individualized budgets are expected to reduce the average cost of services for residential participants by 6.9%. The average cost of services for non-residential waiver participants is expected to increase by 10.5%.

# Why does the Waiver Reimagine proposal result in a savings?

- While this change will match or exceed the majority of peoples' current spending, it is expected to slightly reduce the total statewide spending for the disability waivers (0.5% in the first year and up to about 1.5% at full implementation).
- The analysis on the Waiver Reimagine proposal compared current spending to assumed spending under the new budgets.
- The savings is primarily from fewer than 10% of people who will have lower budgets than what they spend today as well as assumptions on some limited take-up of additional spending for some people who have increased budgets.
- It is also assumed that some people will require exceptions. This is assumed at the level of exceptions currently experienced under the Disability Waiver Rate System.

# How will people move between the two waiver system?

The Governor's proposal does not include limits to movement between waivers – movement will be driven by the support planning process and where a person chooses to live.

DHS is developing a process to monitor demand for movement between waivers and assess individual and systems impacts as part of ongoing monitoring and reporting to CMS.

# How will Individual Budgets impact CDCS?

- Under the proposed changes, self-direction is expanding. People will be able to self-direct some, all, or none of their services.
- People who choose to self-direct will have the same budget as those who choose not to self-direct.
- With self-direction budget parity, most people who currently use CDCS will have a larger budget than they presently do. Of the adults living independently that use CDCS, 98% of people will have a budget of the same dollar amount or higher than they do now.

# Where was the data gathered to develop the individual budget methodology?

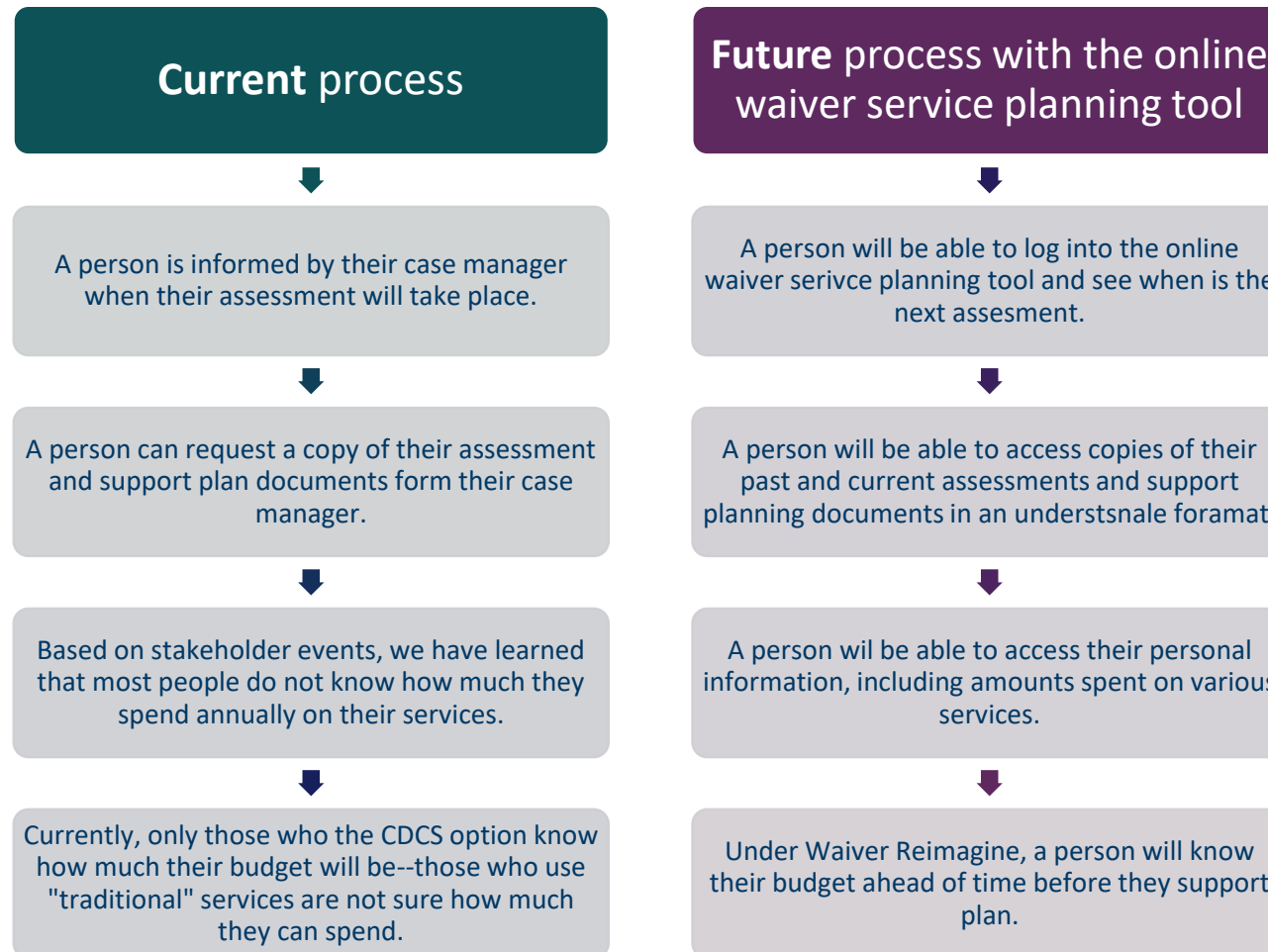
- Quantitative data used to develop individual budgets includes assessment, claims, rates, and rate-setting inputs from four years.
- Qualitative data that shaped the individual budgets was gathered from 3 years of stakeholder engagement, including 3 rounds of expert panels and 2 rounds of individual record reviews.



# Can MnCHOICES support the individual budget implementation?

- The support ranges, and their individual budgets, are based on the majority of questions throughout MnCHOICES so changes in responses to a handful of questions will not change a person's budget.
- The development of the individual budgeting methodology is based on the data from the MnCHOICES assessment of all people who use waiver services between SFY2017-2019. This development kept in mind the potential future changes to the assessment tool to ensure that when either the budgets need to change or the assessment needs to change, there was a way for them to change together.
- Given this development for growth, the individual budget methodology will be able to adjust to accommodate the forthcoming MnCHOICES revision.

# How will I know how this change will impact me or my family member?



# How have stakeholders been engaged in the development of the proposed Individualized Budget Methodology?

- Since 2018, Waiver Reimagine has prioritized stakeholder engagement. Throughout 2020, we engaged with stakeholders to gather feedback, questions, and ideas as we propose phase 2 of Waiver Reimagine through events and our website.
- Events included:
  - Virtual stakeholder events, prioritizing attendance for people receiving services and their families
  - Lead agency and provider training series centered on operationalizing the simplified service menu
  - An expert panel of lead agency representatives

# Learn more about Waiver Reimagine

## You can learn more by:

- Watching this [short video introduction to Waiver Reimagine](#).
- Sharing the [Waiver Reimagine introductory flyer \(PDF\)](#)
- Reviewing the [frequently asked questions \(FAQ\) page](#)
- Subscribing to get [DHS Disability Services Division eList announcements](#).
- Emailing DHS at [Waiver.Reimagine@state.mn.us](mailto:Waiver.Reimagine@state.mn.us) with questions or input about Waiver Reimagine.