

1.1 moves to amend H.F. No. 3191, the first engrossment, as follows:

1.2 Page 1, after line 6, insert:

1.3 "Section 1. Minnesota Statutes 2017 Supplement, section 256B.0915, subdivision 12, is
1.4 amended to read:

1.5 Subd. 12. **Payment rates; phase-in.** Effective January 1, 2019, all rates and rate
1.6 components for services under subdivision 11 shall be the sum of ~~ten~~ 20 percent of the rates
1.7 calculated under subdivisions 13 to 16 and ~~90~~ 80 percent of the rates calculated using the
1.8 rate methodology in effect as of June 30, 2017.

1.9 **EFFECTIVE DATE.** This section is effective January 1, 2019, or upon federal approval,
1.10 whichever is later. The commissioner of human services shall notify the revisor of statutes
1.11 when federal approval is obtained."

1.12 Page 10, line 20, delete "8.35 percent" and insert "13.25 percent to provide increased
1.13 compensation to direct care staff. Providers shall use these additional funds on wage increases
1.14 for direct care staff defined in subdivision 2, paragraph (e)"

1.15 Page 10, after line 20, insert:

1.16 "(l) By December 31, 2019, providers paid with rates incorporating the competitive
1.17 workforce factor in paragraph (k) shall submit a distribution plan to the commissioner
1.18 describing how the additional funds are allocated. Providers shall make their distribution
1.19 plan available and accessible to all direct care staff employed by their agency for a minimum
1.20 of one calendar year.

1.21 (m) For rates subject to rate stabilization under section 256B.4913, the historical rate
1.22 utilized in the adjustment required in section 256B.4913, subdivision 4a, paragraph (c),
1.23 shall be adjusted by 4.9 percent upon application of the competitive workforce factor in
1.24 paragraph (k)."

2.1 Page 22, after line 5, insert:

2.2 "(h) The commissioner shall temporarily suspend payments to a provider if documentation
2.3 requested under paragraph (f) is not received 90 days after the required submission date.
2.4 Withheld payments shall be made once data is received by the commissioner.

2.5 Sec. 11. [256B.4916] HOME AND COMMUNITY-BASED SERVICES PROVIDER
2.6 RATE AND GRANT ADJUSTMENTS.

2.7 Subdivision 1. Rate and grant adjustments. The commissioner of human services shall
2.8 increase reimbursement rates, grants, allocations, individual limits, and rate limits, as
2.9 applicable, by an amount specified in subdivision 2 beginning January 1, 2019, for services
2.10 rendered on or after that date. County or tribal contracts for services specified in this section
2.11 must be amended to pass through each rate increase within 60 days of the effective date of
2.12 each increase.

2.13 Subd. 2. Eligible services, grants, and programs. (a) The commissioner shall provide
2.14 a 4.9 percent rate increase for the following services:

2.15 (1) home and community-based waived services for persons with developmental
2.16 disabilities under section 256B.092, including consumer-directed community supports, for
2.17 services that do not have rates determined under section 256B.4914;

2.18 (2) waived services under community alternatives for disabled individuals under section
2.19 256B.49, including consumer-directed community supports, for services that do not have
2.20 rates determined under section 256B.4914;

2.21 (3) community alternative care waived services under section 256B.49, including
2.22 consumer-directed community supports, for services that do not have rates determined under
2.23 section 256B.4914; and

2.24 (4) brain injury waived services under section 256B.49, including consumer-directed
2.25 community supports, for services that do not have rates determined under section 256B.4914.

2.26 (b) The commissioner shall provide a 4.3 percent rate increase for the following services:

2.27 (1) home and community-based waived services for the elderly under section
2.28 256B.0915, for services not subject to the rate methodology under section 256B.0915,
2.29 subdivisions 12 to 16;

2.30 (2) nursing services and home health services under section 256B.0625, subdivision 6a;

2.31 (3) personal care services and qualified professional supervision of personal care services
2.32 under section 256B.0625, subdivisions 6a and 19a;

- 3.1 (4) home care nursing services under section 256B.0625, subdivision 7;
- 3.2 (5) community first services and supports under section 256B.85;
- 3.3 (6) essential community supports under section 256B.0922;
- 3.4 (7) day training and habilitation services for adults with developmental disabilities under
- 3.5 sections 252.41 to 252.46, including the additional cost to counties of the rate adjustments
- 3.6 on day training and habilitation services provided as a social service;
- 3.7 (8) alternative care services under section 256B.0913;
- 3.8 (9) living skills training programs for persons with intractable epilepsy who need
- 3.9 assistance in the transition to independent living under Laws 1988, chapter 689;
- 3.10 (10) semi-independent living services (SILS) under section 252.275;
- 3.11 (11) consumer support grants under section 256.476;
- 3.12 (12) family support grants under section 252.32;
- 3.13 (13) housing access grants under section 256B.0658;
- 3.14 (14) self-advocacy grants under Laws 2009, chapter 101;
- 3.15 (15) technology grants under Laws 2009, chapter 79;
- 3.16 (16) aging grants under sections 256.975 to 256.977 and 256B.0917;
- 3.17 (17) deaf and hard-of-hearing grants under section 256.01, subdivision 2, including
- 3.18 community support services for deaf and hard-of-hearing adults with mental illness who
- 3.19 use or wish to use sign language as their primary means of communication;
- 3.20 (18) deaf and hard-of-hearing grants under sections 256C.233 and 256C.261;
- 3.21 (19) Disability Linkage Line grants under section 256.01, subdivision 24;
- 3.22 (20) home and community-based transition initiative grants under section 256.478;
- 3.23 (21) employment support grants under section 256B.021, subdivision 6; and
- 3.24 (22) grants provided to people who are eligible for the Housing Opportunities for Persons
- 3.25 with AIDS program under section 256B.492.
- 3.26 Subd. 3. **Managed care and county-based purchasing plans.** A managed care plan or
- 3.27 county-based purchasing plan receiving state payments for the services, grants, and programs
- 3.28 in subdivision 2 must include the adjustments in their payments to providers. For the purposes
- 3.29 of this section, "providers" means entities that provide care coordination. To implement the
- 3.30 rate increase in subdivision 1, capitation rates paid by the commissioner to managed care

4.1 plans and county-based purchasing plans under section 256B.69 shall reflect the increases
4.2 for the services, grants, and programs specified in subdivision 2 for the periods beginning
4.3 on the effective date of the rate adjustment under subdivision 1.

4.4 Subd. 4. **Consumer-directed community supports.** Counties shall increase the budget
4.5 for each recipient of consumer-directed community supports by the amounts in subdivision
4.6 1 on the effective date of the rate adjustment under subdivision 1.

4.7 Subd. 5. **Workforce compensation adjustment.** A provider that receives a rate
4.8 adjustment under subdivision 1 shall use the additional revenue to increase
4.9 compensation-related costs for employees directly employed by the program on or after the
4.10 effective date of the rate adjustment under subdivision 1, except:

4.11 (1) persons employed in the central office of a corporation or entity that has an ownership
4.12 interest in the provider or exercises control over the provider; and

4.13 (2) persons paid by the provider under a management contract.

4.14 Subd. 6. **Compensation-related costs.** Compensation-related costs include wages and
4.15 salaries.

4.16 Subd. 7. **Public employees under collective bargaining agreement.** For public
4.17 employees under a collective bargaining agreement, the adjustments for wages are available
4.18 and pay rates must be increased only to the extent that the adjustments comply with laws
4.19 governing public employees' collective bargaining. Money received by a provider for
4.20 compensation increases for public employees under subdivision 5 must be used only for
4.21 compensation increases implemented between January 1, 2019, and February 1, 2019.

4.22 Subd. 8. **Employees represented by exclusive bargaining representative.** For a
4.23 provider that has employees who are represented by an exclusive bargaining representative,
4.24 the provider shall obtain a letter of acceptance of the distribution plan required under
4.25 subdivision 11, relating to the members of the bargaining unit, signed by the exclusive
4.26 bargaining agent. Upon receipt of the letter of acceptance, the provider shall be deemed to
4.27 have met all the requirements of this section relating to the members of the bargaining unit.
4.28 Upon request, the provider shall produce the letter of acceptance to the commissioner.

4.29 Subd. 9. **State grant contracts.** The commissioner shall amend state grant contracts
4.30 that include direct personnel-related grant expenditures to include the allocation for the
4.31 portion of the contract related to employee compensation. Grant contracts for
4.32 compensation-related services must be amended to pass through these adjustments within

5.1 60 days of the effective date of the rate adjustment under subdivision 1 and must be
5.2 retroactive to the effective date of the rate adjustment under subdivision 1.

5.3 Subd. 10. **Board on Aging; area agencies on aging.** The Board on Aging and its area
5.4 agencies on aging shall amend their grants that include direct personnel-related grant
5.5 expenditures to include the rate adjustments for the portion of the grant related to employee
5.6 compensation. Grants for compensation-related services must be amended to apply the
5.7 adjustments within 60 days of the effective date of the rate adjustment under subdivision 1
5.8 and must be retroactive to the effective date of the rate adjustment under subdivision 1.

5.9 Subd. 11. **Distribution plan.** (a) A provider that receives a rate adjustment under
5.10 subdivision 1 that is subject to subdivision 5 shall prepare and, upon request, submit to the
5.11 commissioner a distribution plan that specifies the amount of money the provider expects
5.12 to receive that is subject to the requirements of subdivision 5, including how that money
5.13 will be distributed to increase compensation for employees.

5.14 (b) Within six months of the effective date of the rate adjustment, the provider shall post
5.15 the distribution plan required under paragraph (a) for a period of at least six weeks in an
5.16 area of the provider's operation to which all eligible employees have access and shall provide
5.17 instructions for employees who do not believe they received the wage increases specified
5.18 in the distribution plan. The instructions must include a mailing address, e-mail address,
5.19 and telephone number that the employee may use to contact the commissioner or the
5.20 commissioner's representative.

5.21 **EFFECTIVE DATE.** This section is effective January 1, 2019, or upon federal approval,
5.22 whichever is later. The commissioner of human services shall notify the revisor of statutes
5.23 when federal approval is obtained.

5.24 Sec. 12. Minnesota Statutes 2016, section 256B.5012, is amended by adding a subdivision
5.25 to read:

5.26 Subd. 18. **ICF/DD rate adjustment effective January 1, 2019.** (a) For the rate period
5.27 beginning January 1, 2019, the commissioner shall increase operating payment rates for
5.28 each facility reimbursed under this section by an amount sufficient to provide employees
5.29 directly employed by the facility with a compensation increase equal to 4.3 percent compared
5.30 to the compensation in effect on December 31, 2018.

5.31 (b) A facility that receives a rate increase under this subdivision shall use the additional
5.32 revenue for compensation-related costs for employees directly employed by the facility on
5.33 or after December 31, 2018, except:

6.1 (1) persons employed in the central office of a corporation or entity that has an ownership
6.2 interest in the facility or exercises control over the facility; and

6.3 (2) persons paid by the facility under a management contract.

6.4 (c) Compensation-related costs include wages and salaries.

6.5 (d) For public employees under a collective bargaining agreement, the increases for
6.6 wages for certain staff are available and pay rates must be increased only to the extent that
6.7 the increases comply with laws governing public employees' collective bargaining. Money
6.8 received by a facility under paragraph (b) for compensation increases for public employees
6.9 must be used only for compensation increases implemented between January 1, 2019, and
6.10 February 1, 2019.

6.11 (e) For a facility that has employees that are represented by an exclusive bargaining
6.12 representative, the provider shall obtain a letter of acceptance of the distribution plan required
6.13 under paragraph (f), relating to the members of the bargaining unit, signed by the exclusive
6.14 bargaining agent. Upon receipt of the letter of acceptance, the facility shall be deemed to
6.15 have met all the requirements of this subdivision relating to the members of the bargaining
6.16 unit. Upon request, the facility shall produce the letter of acceptance to the commissioner.

6.17 (f) A facility that receives a rate adjustment under paragraph (a) that is subject to
6.18 paragraphs (b) and (c) shall prepare and, upon request, submit to the commissioner a
6.19 distribution plan that specifies the amount of money the facility expects to receive that is
6.20 subject to the requirements of paragraphs (b) and (c), including how that money will be
6.21 distributed to increase compensation for employees.

6.22 (g) Within six months of the effective date of the rate adjustment, the facility shall post
6.23 the distribution plan required under paragraph (f) for at least six weeks in an area of the
6.24 facility's operation to which all eligible employees have access and shall provide instructions
6.25 for employees who do not believe they have received the wage increases specified in the
6.26 distribution plan. The instructions must include a mailing address, e-mail address, and
6.27 telephone number that an employee may use to contact the commissioner or the
6.28 commissioner's representative.

6.29 **EFFECTIVE DATE.** This section is effective January 1, 2019."

6.30 Page 22, after line 28, insert:

6.31 "Sec. 14. **REPEALER.**

6.32 Minnesota Statutes 2016, section 256B.5012, subdivisions 4, 5, 6, 7, 8, 9, 10, 11, and
6.33 14, are repealed effective July 1, 2018."

- 7.1 Renumber the sections in sequence and correct the internal references
- 7.2 Amend the title accordingly