



Minnesota Department of **Human Services**

10% congregate care rate reduction (\$12.7 million in savings, FY 12-13)

- Reduces payment rates by 10% for individuals with lower needs living in foster care settings where the license holder does not share the residence with recipients on the Community Alternatives for Disabled Individuals (CADI) and Developmentally Disabled (DD) waivers and customized living settings for CADI.
- Minnesota relies heavily on congregate living settings such as corporate foster care and customized living. Services provided in congregate living settings are generally more expensive than other options. While they are an important component of the service system, especially for people with higher needs requiring higher service levels, the idea of this provision is to reduce the costs of services for individuals with lower needs and support less costly service arrangements.

Implementation of the reduction

On August 19, 2011, the Department of Human Services (DHS) issued a memo to lead agency directors, CADI and DD waiver managers and coordinators instructing them to review a preliminary list of individuals that DHS identified as candidates for the 10% congregate care rate reduction. DHS requested and received feedback from counties if there were individuals on the list that they did not think should be on the list. Based on the feedback, and in consultation with stakeholders, DHS updated the lower need criteria.

The term “lower needs” is a relative term. All individuals who are receiving CADI and DD waiver services have met the appropriate level of care thresholds of a nursing facility (NF) or an Intermediate care facility for persons with developmental disabilities (ICF/DD), and additional criteria for allocation of waiver resources. The criteria for the reduction was primarily based on fewer needs for assistance with activities of daily living (8 areas, including eating, bathing, mobility, etc.) and no or relatively lower need for staff interventions due to behavior.

DHS then excluded any individual on the CADI or DD waiver who entered the waiver within the past 24 months from an ICF/DD, NF/Certified Board and Care, or Correctional Facility (for the CADI Waiver) or an ICF/DD, Adult City or County Jail, Adult Correctional Facility, or Juvenile State Correctional Facility (for the DD Waiver).

DHS also excluded any individual (CADI or DD) who entered the waiver within the past 24 months and had received Adult crisis response, Assertive Community Treatment (ACT) Services, Child crisis response and emergency department services, or Mental Health Intensive Residential Treatment Services (IRTS) within 90 days of coming on to the waiver or has used those services within the past 12

months.

A new list was generated on September 19, 2011. There are 1,756 people on the CADI Waiver for whom payment rates are to be reduced by 10%. Approximately 43% (755 people) of the CADI Waiver individuals identified in August remain on the September rate reduction list. There are 890 people on the DD Waiver list. Approximately 95% (847 people) of the people on the final list were also on the list issued in August.

Is the 10% rate reduction to CADI waiver providers for lower needs individuals disproportionately affecting people with a serious mental illness?

- 70% of all people on the CADI waiver have an indicator of a history of a mental health diagnosis. This does not mean that those people would qualify for mental health services, or have a current diagnosis requiring treatment. Looking at the history of a mental health diagnosis overinflates the percentage, but it is currently the only mental health indicator that is consistently available on the screening document.
- Of those people on the CADI waiver who live in corporate foster care or customized living, 83% have an indicator of a history of a mental health diagnosis. This is the same percentage of individuals on the CADI waiver who were on the September 19 list to receive a 10% rate reduction.
- There are a high number of people with mental health diagnosis on the CADI waiver but the 10% rate reduction does not disproportionately affect those with a history of a mental health diagnosis. The percentage of people with a history of a mental health diagnosis who are receiving the 10% cut is the same percentage of people who are on the CADI waiver living corporate foster care or customized living.

Does the current assessment model take into account the unique issues facing children and adults with mental illnesses?

- DHS has long felt that a better assessment tool was needed to be able to respond to individual needs, and inform policy decisions.
- MnCHOICES, a new assessment tool, was developed with participation from the Chemical and Mental Health Services Administration, as well as many other stakeholders, and we will continue to work together through implementation.
- It is always a challenge to develop an assessment that can cover the range of needs that people may have who look to our long term care services, but we are committed to this as an important step to help people get access to the right service at the right time.