



**DEPARTMENT OF
HUMAN SERVICES**

Waivers and Personal Care Assistance: Program Overview, Rates, Workforce, and Change Initiatives

January 20, 2021

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Disability Services Division

- Overview of Long-term Services and Supports (LTSS) & Home & Community-Based Services (HCBS)
- PCA overview & rates
- Workforce Challenges Facing the Direct Support Workforce
- Disability Waiver Overview & Rates
- Waiver Reimagine

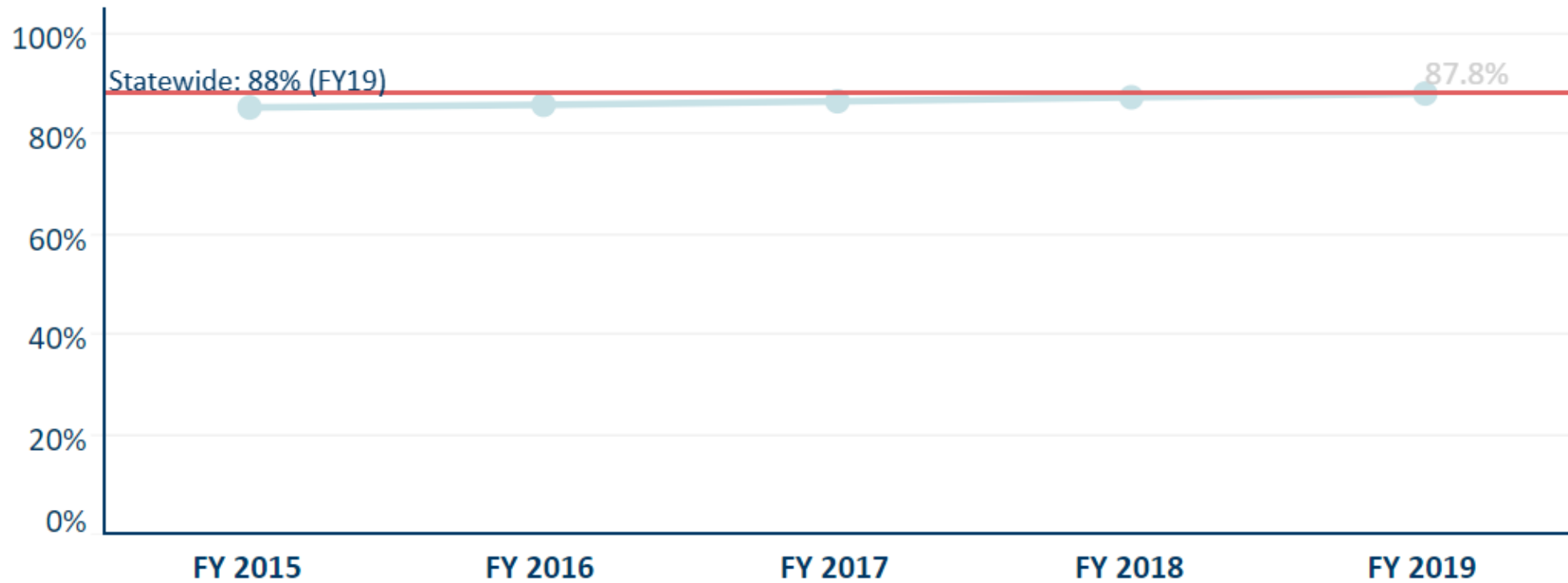
Home and Community Based Services (HCBS) Programs

- The term “Long Term Services and Supports” refers to the array of services available to support people with disabilities and older adults, including nursing facilities, intermediate care facilities for people with developmental disabilities and hospitals.
- Home and community based services are a subset of Long Term Services and Supports. They are cost effective alternatives to institutional care, and enable people with disabilities and older adults to live, work and participate in community life. They include:
 - Medical Assistance (MA) state plan home and community based services
 - Medical Assistance (MA) home and community-based service waivers
 - Federally funded services, but not through Medical Assistance
 - State and local funded supports and services

Percentage of people receiving HCBS versus Institutional Care

Total LTSS population: Statewide

Percent of people who receive HCBS (January)



MA state plan home and community based services

- Minnesota offers a comprehensive benefit set.
- People meeting financial and functional need eligibility criteria may receive the service.
- These services include:
 - Personal Care Assistance (PCA)
 - Home Care Nursing
 - Skilled Nurse and Home Health Aide visits
- These state plan services have set rates

Creation of the HCBS Waivers

Why were Home and Community-Based Service (HCBS) waivers created?

- Federal legislation allows Medicaid funds to be used for services outside an institution
- Encourage states to develop supports that will help people participate in their community.



- Home and Community Based Services through MA waiver programs provide additional services that support a person when state plan services alone do not meet a person's assessed needs.
- Minnesota provides five HCBS waivers:
 - Elderly Waiver (EW)
 - Developmental Disabilities (DD) Waiver
 - Community Access for Disability Inclusion (CADI) Waiver
 - Community Alternative Care (CAC) Waiver
 - Brain Injury (BI) Waiver
- Level of care as a requirement

HCBS Programs (SFY 2019)

Program	Average Monthly People Served	Total Annual Cost of Services
Disability Waivers	48,475	\$2.73 billion
Elderly Waiver & Alternative Care	28,618	\$477 million
State Plan Home Care	PCA: 34,037 Home Health Agencies: 2,592 Home Care Nursing: 784	\$1.14 billion

Source: Nov. 2020 Forecast

- Disability Waivers includes the Brain Injury (BI), Community Alternative Care (CAC), Community Alternatives for Disability Inclusion (CADI), and Developmental Disability (DD) Waivers
- Elderly Waiver includes both fee-for-service and managed care
- State Plan Home Care includes PCA paid through fee-for-service and managed care. Home Health Agency and Home Care Nursing includes fee-for-service information. There are some additional people who receive services, such as skilled nursing visits, paid through managed care.

Personal Care Assistance (PCA) Overview & Rates

MA State plan Personal Care Assistance (PCA) rates

- State plan PCA services do not use framework formulas to set rates.
 - Currently, the rate for a 15 minute unit of service is \$4.45 (or \$17.80/hour) and does not include inflationary updates.
 - 72.5% of the rate must go to direct support professional wages and benefits.
- PCA rates have been adjusted periodically through legislation.
 - There is no automatic inflationary adjustment for increased costs
 - Increases require legislative action
- Data shows that PCAs are the lowest paid workers in the HCBS workforce.

Average 15-minute unit rates

Service	Rate methodology	Current 15-minute rate*
Chore services	Flat	\$3.76
PCA (1:1)	Flat	\$4.45
Homemaker	Flat	\$4.61
Home health aide, extended (disability waivers)	Flat	\$5.49
Individual Home Support without Training	DWRS	\$6.89
Night supervision	DWRS	\$7.54
Individualized home supports with training	DWRS	\$10.86
Positive supports specialist	DWRS	\$10.87
Employment support/exploration	DWRS	\$11.26
Housing access coordination	DWRS	\$12.35

People supported by PCA services

- The PCA program is the most diverse LTSS program in Minnesota. In state fiscal year 2019, 54% of all PCA recipients were BIPOC.

	BIPOC	White
Total Minnesota Population	21%	79%
Total HCBS Population	34%	61%
Disability Waiver Population	23%	75%
Homecare Population (PCA)	54%	40%

Direct Support Workforce Shortage

The Direct Support Workforce

- Supporting peoples' community lives requires a dedicated workforce across Minnesota.
- Having well-trained direct support professionals (DSPs) in place leads to better outcomes and more consistent care.
- Access to services and supports are challenged by a workforce shortage faced by states across the nation.
- Minnesota currently has about 135,000 DSPs and will need an additional 68,000 in coming years to meet the anticipated demand.

Direct support wages

- Nationally, approximately 45 percent of DSPs live in households earning less than 200 percent of the federal poverty level.
- Many variables affect the wages and benefits paid to direct support workers, including but not limited to:
 - Payment rates for services
 - Cost of benefits
 - Other employer costs

Hourly Wages by Service Type

One driving factor behind direct support wages is the payment rate for services. Within the HCBS services in Minnesota there is notable variation in the payment rates, which has led to variation in the wages for workers as well.

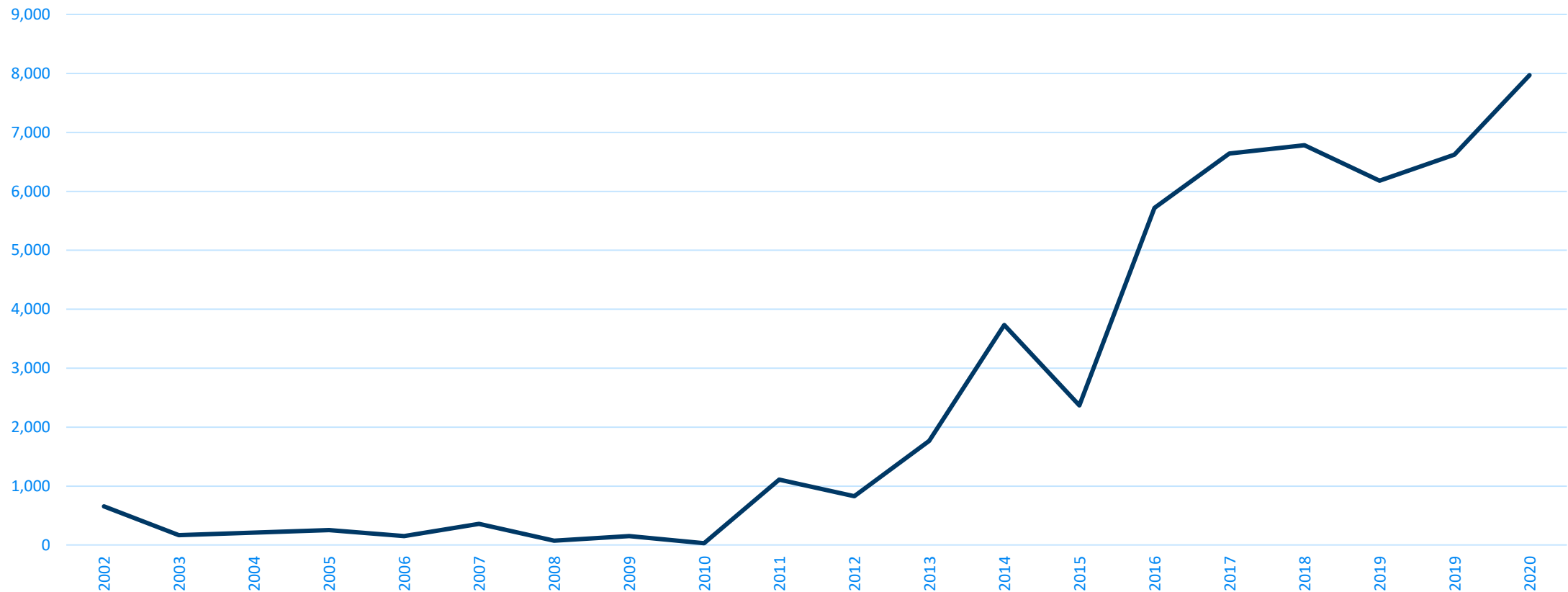
Service Type	Median Wage	Rate (per hour)
Home Health Aide	\$13.50	\$21.96 - 32.04
PCA	\$12.00	\$17.80
Waiver Day Services	\$12.47	\$39.24
Waiver Residential Services	\$12.65	\$34.80
Waiver Unit-based Services	\$12.29	\$27.54 - 53.85

Addressing the Workforce Crisis

- Through the guidance and action of the legislature, the Olmstead subcabinet, and advocacy efforts, DHS has been able to engage in a multi-prong approach to understanding and addressing the ongoing direct support workforce crisis.
- These efforts have included new policy development, investments in service rates, and new data collection efforts that will expand the understanding of the workforce limitations.
- [Olmstead workforce shortage work plan](#)

PCA Vacancies 2002-2020

Personal Care Aide Vacancies,
2002 to 2020, Minnesota



Questions?

Disability Waiver Rates System

Disability Waiver Rate System (DWRS)

- Roughly 80% of DD, CADI, CAC, and BI waiver expenditures are set by the Disability Waiver Rate System (DWRS) frameworks.
- These statutory frameworks use direct support professional wages as the basis for the overall rate.
 - Other cost components in the rates include benefits, supervision, program support, and administrative costs.
- Direct support wage assumptions in the frameworks vary from \$12.27 to \$22.38/hour.
- Wage component set by analysis of statutorily-specified BLS SOC codes.

DWRS Rate Methodology Overview

- The rate setting methodologies, or ‘frameworks’ for the disability waivers are set in Minnesota statute.
- The frameworks are based on the cost of providing services collected through historical cost surveys and ongoing state and national data collection.
- Includes an automatic inflationary update every other year which adjust:
 - Direct Support wage values (based on Bureau of Labor Statistics values)
 - Consumer Price index changes on material goods

Calculating a DWRS Rate

Direct Care Staffing:

Step 1. Determine Wage for Direct Care Worker

Base hourly wage	\$	12.27
Competitive Workforce Factor (CWF)		4.70%
Total wage per hour of service	\$	12.85

Step 2. Add wage for individual direct staff

Staff Type	Wage
Hour of service	\$ 12.85

Step 3. Add % to cover Supervision

Direct Supervision	Wage	Supervision Perc	Supervision Amount
Hour of Service	\$ 22.81	11%	\$ 2.51

Step 4. Add staffing customization option to meet high level needs provided to an individual

Staffing Customization Options	Add-on \$	Add-on Choice
No Customization	\$ -	\$ -
Deaf or hard of hearing	\$ 2.50	

Step 5. Add % to cover vacation, sick and training for individual direct staff hours

Percentage of direct care to cover staffing benefits	Dollar Amount
Percentage for Direct Care Staffing	8.71% \$ 1.34

Step 6. Calculate hourly individual staffing

Total Individual Staffing Amount	\$ 16.70
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Step 7. Define Nature of Service

Staffing Options	Face to Face 1:1
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Continued evaluation and analysis

- DWRS continues to be evaluated and updated based on new data and analysis. Historically, this evaluation has been done with available sources including national data or one-time cost surveys.
- Beginning in 2021, all providers of DWRS services will begin reporting their service costs as required reporting. This data collection will allow for Minnesota-specific data to inform future decisions about DWRS. Reported data includes
 - Administrative and Direct Care wages, benefits, and payroll taxes
 - Service Facilities Costs, including all building and maintenance costs
 - Transportation Costs, program and non-program related
 - Program Administrative Costs
 - General Administrative Costs

Waiver Reimagine project

What we've learned in recent years

There is a lack of accessible and understandable information.

Inconsistencies can occur between different lead agencies (counties and tribal nations).

Waiver programs are too complex and difficult to understand.



People have limited control and flexibility over their services.

How We're Improving: 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 persons
lives and not on
their diagnosis

A budget based
on a person's
assessed needs

Increase flexibility
to self-direct

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 with questions or input about Waiver Reimagine.

Thank you!

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