

1.1 moves to amend H.F. No. 2456, the second engrossment, as follows:

1.2 Page 33, delete section 26

1.3 Page 34, delete sections 27 and 28

1.4 Page 35, delete section 29

1.5 Page 36, delete sections 30 and 31

1.6 Page 37, delete sections 32 and 33

1.7 Page 38, delete sections 34 and 35

1.8 Page 39, delete section 36

1.9 Page 41, delete section 37

1.10 Page 43, line 5, delete "July 2012" and insert "July 1, 2012"

1.11 Page 43, line 11, before "The" insert "(a)"

1.12 Page 43, after line 16, insert:

1.13 "(b) As of January 1, 2012, counties shall not implement changes to established
1.14 processes for rate-setting methodologies for individuals using components of or data
1.15 from research rates."

1.16 Page 43, line 17, delete "payment-setting" and insert "payment"

1.17 Page 43, delete line 19, and insert "(1) supervision costs;"

1.18 Page 43, line 24, delete "structures and"

1.19 Page 43, line 25, delete "and" and insert a comma and after "(c)" insert ", and (d)"

1.20 Page 43, delete lines 26 and 27, and insert:

1.21 "(b) Payment rates shall reflect the reasonable, ordinary, and necessary costs of
1.22 service delivery."

1.23 "(c) Payment rates shall be sufficient to enlist enough providers so that care and
1.24 services are available at least to the extent that such care and services are available to
1.25 the general population in the geographic area as required by section 1902(a)(30)(A) of
1.26 the Social Security Act."

1.27 Page 43, line 28, delete "(c)" and insert "(d)"

2.1 Page 44, delete section 39, and insert:

2.2 "Sec. **[256B.4913] PAYMENT METHODOLOGY DEVELOPMENT.**

2.3 **Subdivision 1. Research period and rates.** (a) For the purposes of this
2.4 section, "research rate" means a proposed payment rate for the provision of home
2.5 and community-based waived services to meet federal requirements and assess
2.6 the implications of changing resources on the provision of services and "research
2.7 period" means the time period during which the research rate is being assessed by the
2.8 commissioner.

2.9 (b) The commissioner shall determine and publish initial frameworks and values to
2.10 generate research rates for individuals receiving home and community based services.

2.11 (c) The initial values issued by the commissioner shall ensure projected spending
2.12 for home and community-based services for each service area is equivalent to projected
2.13 spending under current law in the most recent expenditure forecast.

2.14 (d) The initial values issued shall be based on the most updated information and cost
2.15 data available on supervision, employee related costs, client programming and supports,
2.16 programming planning supports, transportation, administrative overhead, and utilization
2.17 costs. These service areas are:

2.18 (1) residential services, defined as corporate foster care, family foster care, residential
2.19 care, supported living services, customized living, and 24 hour customized living;

2.20 (2) day program services, defined as adult day care, day training and habilitation,
2.21 prevocational services, structured day services, and transportation;

2.22 (3) unit-based services with programming, defined as in-home family support,
2.23 independent living services, supported living services, supported employment, behavior
2.24 programming, and housing access coordination; and

2.25 (4) unit-based services without programming, defined as respite, personal support,
2.26 and night supervision.

2.27 (e) The commissioner shall make available the underlying assessment information,
2.28 without any identifying information, and the statistical modeling used to generate the
2.29 initial research rate and calculate budget neutrality.

2.30 **Subd. 2. Framework values.** (a) The commissioner shall propose legislation with
2.31 the specific payment methodology frameworks, process for calculation, and specific
2.32 values to populate the frameworks by February 15, 2013.

2.33 (b) The commissioner shall provide underlying data and information used to
2.34 formulate the final frameworks and values to the existing stakeholder workgroup by
2.35 January 15, 2013.

3.1 (c) The commissioner shall provide recommendations for the final frameworks
3.2 and values, and the basis for the recommendations to the legislative committees with
3.3 jurisdiction over health and human services finance by February 15, 2013.

3.4 (d) The commissioner shall review the following topics during the research period
3.5 and propose, as necessary, recommendations to address the following research questions:

3.6 (1) underlying differences in the cost to provide services throughout the state;

3.7 (2) a data driven process for determining labor costs and customizations for staffing
3.8 classifications included in each rate framework based on the services performed;

3.9 (3) the allocation of resources previously established under section 256B.501,
3.10 subdivision 4b;

3.11 (4) further definition and development of unit-based services;

3.12 (5) the impact of splitting the allocation of resources of for unit-based services for
3.13 those with programming aspects and those without;

3.14 (6) linking assessment criteria to future assessment processes for determination
3.15 of customizations;

3.16 (7) recognition of cost differences in the use of monitoring technology where it is
3.17 appropriate to substitute for supervision;

3.18 (8) implications for day services of reimbursement based on a unit rate and a daily
3.19 rate;

3.20 (9) a definition of shared and individual staffing for unit-based services;

3.21 (10) the underlying costs of providing transportation associated with day services;
3.22 and

3.23 (11) an exception process for individuals with exceptional needs that cannot be met
3.24 under the initial research rate, and an alternative payment structure for those individuals.

3.25 (e) The commissioner shall develop a comprehensive plan based on information
3.26 gathered during the research period that uses statistically reliable and valid assessment
3.27 data to refine payment methodologies.

3.28 (f) The commissioner shall make recommendations and provide underlying data and
3.29 information used to formulate these research recommendations to the existing stakeholder
3.30 workgroup by January 15, 2013.

3.31 Subd. 3. **Data collection.** (a) The commissioner shall conduct any necessary
3.32 research and gather additional data for the further development and refinement of payment
3.33 methodology components. These include but are not limited to:

3.34 (1) levels of service utilization and patterns of use;

3.35 (2) staffing patterns for each service;

3.36 (3) profile of individual service needs; and

4.1 (4) cost factors involved in providing transportation services.

4.2 (b) The commissioner shall provide this information to the existing stakeholder
4.3 workgroup by January 15, 2013.

4.4 Subd. 4. **Rate stabilization adjustment.** Beginning January 1, 2014, the
4.5 commissioner shall adjust individual rates determined by the new payment methodology
4.6 so that the new rate varies no more than one percent per year from the rate effective
4.7 on December 31 of the prior calendar year. This adjustment is made annually and is
4.8 effective for three calendar years from the date of implementation. This subdivision
4.9 expires January 1, 2017.

4.10 Subd. 5. **Stakeholder consultation.** The commissioner shall continue consultation
4.11 on regular intervals with the existing stakeholder group established as part of the
4.12 rate-setting methodology process to gather input, concerns, data, and exchange ideas for
4.13 the legislative proposals for the new rate payment system and make pertinent information
4.14 available to the public through the department's website.

4.15 Subd. 6. **Implementation.** The commissioner may implement changes no
4.16 sooner than January 1, 2014, to payment rates for individuals receiving home and
4.17 community-based waived services after the enactment of legislation that establishes
4.18 specific payment methodology frameworks, processes for rate calculations, and specific
4.19 values to populate the payment methodology frameworks.

4.20 **EFFECTIVE DATE.** This section is effective the day following final enactment."

4.21 Page 44, line 7, delete everything after the first comma and insert "2014."

4.22 Page 44, delete lines 8 and 9

4.23 Page 44, line 12, delete everything after "older"

4.24 Page 44, line 13, delete "served"

4.25 Page 44, delete lines 20 to 23 and insert:

4.26 "**EFFECTIVE DATE.** This section is effective the day following final enactment."

4.27 Page 51, delete sections 40 and 41

4.28 Page 53, delete section 42 and article 2

4.29 Renumber the sections in sequence and correct the internal references

4.30 Amend the title accordingly