

Bill Summary Comparison of Health and Human Services

UEH1233-1
Article 13: Payment Methodologies For
Home And Community-Based Services

House File 1233, 3rd Engrossment
Article 3: Home and Community-Based
Disability Rate Setting

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Section	Article 13: Payment Methodologies for Home and Community-Base Services		Article 3: Home and Community-Based Services Disability Rate Setting
1	Section 1 (256B.4912, subdivision 2) adds a cross-reference.	Identical.	Section 1. Payment methodologies. Amends § 256B.4912, subd. 2. Adds a cross-reference to the new rate setting methodology.
2	Section 2 (256B.4912, subdivision 3) adds “staff compensation” and “staffing and supervisory patterns” to the list of items the home and community-based services (HCBS) waivers payment methodologies must address.	Identical.	Section 2. Payment requirements. Amends § 256B.4912, subd. 3. Modifies the list of items the payment methodology must accommodate.
3	Section 3 (256B.4913, subdivision 4a) creates a new subdivision allowing the Department of Human Services (DHS) to adjust, with certain exemptions, individual reimbursement rates by no more than one percent annually between calendar years 2016 and 2019, including rates for services in a recipient’s service plan approved prior to calendar year 2016.	Technical phrasing difference. Staff recommends the Senate language.	Section 3. Rate stabilization adjustment. Amends § 256B.4913, by adding subd. 4a. Requires the commissioner to adjust individual reimbursement rates by no more than 1 percent per year effective January 1, 2016. Requires this adjustment to be made annually for three calendar years from the date of implementation. Applies this adjustment to services that are authorized in a recipient’s service plan prior to January 1, 2016. Allows exemptions only when there is a significant change in the recipient’s assessed needs which results in a service authorization change. Specifies limitations and management of exemptions. Makes this expire January 1, 2019.
4	Section 4 (256B.4913, subdivision 5) allows DHS to work with other groups, in addition to the existing stakeholder group, to assist in the implementation of the new rate payment system.	Identical.	Section 4. Stakeholder consultation. Amends § 256B.4913, subd. 5. Modifies stakeholder consultation to allow for an existing stakeholder group and others to assist in the full implementation of the new payment system. Removes obsolete language.

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5	<p>Section 5 (256B.4913, subdivision 6) modifies the implementation of a new payment methodology and directs lead agencies to enter person-specific data into a rate management system developed by DHS. Requires all new services and renewed individual service plans to use the waiver rate system beginning January 1, 2014, and requires all data entered by December 31, 2014. Adjustments to lead agency budgets for HCBS waiver plans must be made by January 1, 2014.</p>	Identical.	<p>Section 5. Implementation. Amends § 256B.4913, subd. 6. Implements the new payment rate methodology for HCBS waivers beginning January 1, 2014.</p>
6	<p>Section 6 (256B.4914) creates a new section, “HOME AND COMMUNITY-SERVICES WAIVERS; RATE SETTING.”</p>		<p>Section 6. Home and community-based services waivers; rate setting. Creates § 256B.4914.</p>
	<p>Subdivision 1 applies section 256B.4914 to services under the Developmental Disabilities (DD), Community Alternatives for Disabled Individuals (CADI), Community Alternative Care (CAC), and Brain Injury (BI) waivers.</p>	Identical.	<p>Subd. 1. Application. Makes the payment methodologies apply to the CAC, CADI, DD, and BI home and community-based services (HCBS) waivers.</p>
	<p>Subdivision 2 establishes definitions applicable to this section.</p>	Technical phrasing, punctuation, and capitalization differences. Staff recommends the Senate language.	<p>Subd. 2. Definitions. Defines the terms “commissioner,” “component value,” “customized living tool,” “disability waiver rates system,” “lead agency,” “median,” “payment or rate,” “rates management system,” and “recipient.”</p>
	<p>Subdivision 3 lists the services under the DD, CADI, CAC, and BI waivers applicable to the payment methodologies established in this section, including:</p> <ul style="list-style-type: none"> • 24 hour customized living • Adult day care • Adult day care bath • Behavioral programming 	Technical phrasing and punctuation differences.	<p>Subd. 3. Applicable services. Lists the applicable services authorized under the state’s home and community-based waivers for persons with disabilities.</p>

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	<ul style="list-style-type: none"> • Companion services • Customized living • Day training and habilitation (DT&H) • Housing access coordination • Independent living skills • In-home family support • Night supervision • Personal support • Prevocational services • Residential care services • Residential support services • Respite services • Structured day services • Supported employment services • Supported living services • Transportation services 		
	<p>Subdivision 4 requires providers to enter data into the rates management system in order for DHS to collect data for rate determination.</p>	<p>Technical punctuation differences. Staff recommends the Senate language.</p>	<p>Subd. 4. Data collection for rate determination. Specifies rates for all applicable home and community-based waiver services are set via the rate management system. Specifies data that must be collected for rate determinations under the rates management system. Specifies the information needed to update individual data.</p>

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	<p>Subdivision 5 establishes the base wage index (using the Standard Occupational Classification System from the Bureau of Labor Statistics) and standard component values (i.e., employee vacation and sick allowance) to calculate payment rates.</p>	<p>Technical phrasing, punctuation, and capitalization differences.</p>	<p>Subd. 5. Base wage index and standard component values. Establishes a base wage index to determine staffing costs associated with providing services to individuals receiving HCBS waiver services. Specifies the method by which the commissioner must calculate the base wage index. Defines the values for other components for calculating rates.</p>
	<p>Subdivision 6 calculates the payment methodology for residential support services using the base wage index and standard component values established in subdivision 5.</p>	<p>Technical punctuation and phrasing differences.</p>	<p>Subd. 6. Payments for residential support services. Specifies how payments for residential support services are calculated.</p>
	<p>Subdivision 7 calculates the payment methodology for day programs using the base wage index and standard component values established in subdivision 5.</p>	<p>Technical punctuation and phrasing differences.</p>	<p>Subd. 7. Payments for day programs. Specifies how payments for services with day programs, including adult day care, day treatment and habilitation, prevocational services, and structured day services are calculated.</p>
	<p>Subdivision 8 calculates the payment methodology for unit-based services with programming using the base wage index and standard component values established in subdivision 5.</p>	<p>Technical punctuation and phrasing differences.</p>	<p>Subd. 8. Payments for unit-based services with programming. Specifies how payments for unit-based services with programming, including behavior programming, housing access coordination, in-home family support, independent living skills training, hourly supported living services, and supported employment provided to an individual outside of any day or residential service plan are calculated.</p>

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	<p>Subdivision 9 calculates the payment methodology for unit-based services without programming using the base wage index and standard component values established in subdivision 5.</p>	<p>Technical punctuation and phrasing differences.</p>	<p>Subd. 9. Payments for unit-based services without programming. Specifies how payments for unit-based services without programming including night supervision, personal support, respite, and companion care provided to an individual outside of any day or residential service plan are calculated.</p>
	<p>Subdivision 10 instructs DHS to work with stakeholders to develop and implement uniform procedures to change terms and update or adjust values used to calculate payments; requires DHS to continue working with stakeholders in an ongoing basis to refine the values; requires DHS to submit a report with recommendations to the Legislature on February 15, 2014, and 2015, then biennially each February 15 until 2021, at which time the report is due every four years.</p>	<p>Technical punctuation and capitalization differences. Staff recommends the Senate language.</p>	<p>Subd. 10. Updating payment values and additional information. Requires the commissioner to develop and implement uniform procedures to refine terms and update or adjust values used to calculate payment rates. Requires the commissioner to work with stakeholders to assess efficacy of values and payment rates. Requires the commissioner to report to the legislature with proposed changes for component values. Requires the commissioner to work with stakeholders to continue refining values and to report to the legislature by February 15, 2015, with recommendations. Requires the commissioner to report and make recommendations to the legislature periodically through February 15, 2021, and every four years thereafter. Requires the commissioner to provide public notice in October of each year detailing certain legislatively approved changes.</p>
	<p>Subdivision 11 states that payment rates under the statewide payment methodology created in this section, once implemented, supersede rates established by county contracts for HCBS waivers.</p>	<p>Technical difference. Staff recommends the Senate language.</p>	<p>Subd. 11. Payment implementation. Makes the payments established under the statewide payment methodology supersede rates established in county contracts for recipients receiving HCBS waiver services.</p>

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	Subdivision 12 creates an enhanced, customized rate for deaf or hard-of-hearing individuals of \$2.50 per hour.	Technical punctuation, capitalization, and structural differences.	Subd. 12. Customization of rates for individuals. Requires direct care costs to be increased by an adjustment factor for persons determined to have higher needs based on being deaf or hard-of-hearing. Specifies the customization rate for deaf or hard-of-hearing persons.
	Subdivision 13 instructs DHS to require transportation services purchased be cost-effective and limited to market rates.	Identical.	Subd. 13. Transportation. Requires the purchase of transportation services to be cost-effective and limited to market rates where the transportation mode is generally available and accessible.
	Subdivision 14 allows DHS to identify individuals with exception needs that cannot be met under the new rate setting methodology and allows DHS to create an alternative payment system for the individual.	Technical differences. Staff recommends the House language.	Subd. 14. Exceptions. Specifies a process for establishing exceptions to payment rates determined under subdivisions 6 to 9.
	Subdivision 15 required DHS, upon full implementation of the rate setting methodology, to track and report the fiscal impact of the waiver rates system on individual counties and tribes; and requires DHS to make annual adjustment to counties and tribes' home and community-based waived service budget allocations to adjust for rate differences, and the impact on county allocations upon the system's implementation.	Technical capitalization differences. Staff recommends the Senate language.	Subd. 15. County or tribal allocations. Requires the commissioner to establish a method of tracking and reporting the fiscal impact of the disability waiver rates management system on lead agencies. Requires the commissioner to make annual adjustments to lead agencies' HCBS budget allocations to account for rate differences and the resulting impact on county allocations.
	Subdivision 16 requires DHS to make the necessary adjustments to ensure this new rate setting methodology is budget neutral when compared with current law.	Identical.	Subd. 16. Budget neutrality adjustment. Requires aggregate spending in each service area to match projections under current law and gives the commissioner the authority to adjust individual rates for services.

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	<p>Subdivision 17 outlines the two year phase-in process for the new rate setting methodology, beginning January 1, 2014.</p>	<p>Technical phrasing and punctuation differences. Staff recommends the House language.</p>	<p>Subd. 17. Implementation. Requires the commissioner to fully implement the calculation of rates for the disability waivers on January 1, 2014. Requires the commissioner to phase in the application of the new rates for two years. Requires the commissioner to preserve rates in effect on December 31, 2013, for the two-year period. Requires the commissioner to calculate and measure the difference in cost per individual using the historical rates and the new rates for all individuals enrolled as of December 31, 2013. Requires the new rates to be applied January 1, 2016.</p>
7	<p>Section 7 repeals (section 256B.4913 subdivisions 1, 2, 3 and 4) subdivisions related to implementing the new rate setting methodology created in this section that are now obsolete or replaced in this bill.</p>	<p>Identical.</p>	<p>Section 7. Repealer. Repeals Minnesota Statutes, § 256B.4913, subds. 1, 2, 3, and 4 (research period and rates; framework values; data collection; and rate stabilization adjustment).</p>