

1.1 ..... moves to amend H.F. No. 663 as follows:

1.2 Page 1, delete section 2

1.3 Page 18, line 27, delete "July 1, 2021" and insert "January 1, 2023"

1.4 Page 18, delete section 3 and insert:

1.5 "Sec. 3. **[256B.851] COMMUNITY FIRST SERVICES AND SUPPORTS; PAYMENT**  
1.6 **RATES.**

1.7 Subdivision 1. **Application.** (a) The payment methodologies in this section apply to:

1.8 (1) community first services and supports (CFSS), extended CFSS, and enhanced rate  
1.9 CFSS under section 256B.85; and

1.10 (2) personal care assistance services under section 256B.0625, subdivisions 19a and  
1.11 19c; extended personal care assistance service as defined in section 256B.0659, subdivision  
1.12 1; and enhanced rate personal care assistance services under section 256B.0659, subdivision  
1.13 17a.

1.14 (b) This section does not change existing personal care assistance program or community  
1.15 first services and supports policies and procedures.

1.16 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the  
1.17 meanings given in section 256B.85, subdivision 2, and as follows.

1.18 (b) "Commissioner" means the commissioner of human services.

1.19 (c) "Component value" means an underlying factor that is built into the rate methodology  
1.20 to calculate service rates and is part of the cost of providing services.

1.21 (d) "Payment rate" or "rate" means reimbursement to an eligible provider for services  
1.22 provided to a qualified individual based on an approved service authorization.

2.1 Subd. 3. **Payment rates; base wage index.** (a) When initially establishing the base wage  
2.2 component values, the commissioner must use the Minnesota-specific median wage for the  
2.3 standard occupational classification (SOC) codes published by the Bureau of Labor Statistics  
2.4 in the edition of the Occupational Handbook available January 1, 2021. The commissioner  
2.5 must calculate the base wage component values as follows for:

2.6 (1) personal care assistance services, CFSS, extended personal care assistance services,  
2.7 and extended CFSS. The base wage component value equals the median wage for personal  
2.8 care aide (SOC code 31-1120);

2.9 (2) enhanced rate personal care assistance services and enhanced rate CFSS. The base  
2.10 wage component value equals the product of median wage for personal care aide (SOC  
2.11 code 31-1120) and the value of the enhanced rate under section 256B.0659, subdivision  
2.12 17a; and

2.13 (3) qualified professional services and CFSS worker training and development. The base  
2.14 wage component value equals the sum of 70 percent of the median wage for registered nurse  
2.15 (SOC code 29-1141), 15 percent of the median wage for health care social worker (SOC  
2.16 code 21-1099), and 15 percent of the median wage for social and human service assistant  
2.17 (SOC code 21-1093).

2.18 (b) On January 1, 2025, and every two years thereafter, the commissioner must update  
2.19 the base wage component values based on the wage data by SOC codes from the Bureau  
2.20 of Labor Statistics available 30 months and a day prior to the scheduled update.

2.21 (c) On August 1, 2024, and every two years thereafter, the commissioner shall report to  
2.22 the chairs and ranking minority members of the legislative committees and divisions with  
2.23 jurisdiction over health and human services policy and finance an update of the framework  
2.24 components as calculated in paragraph (b).

2.25 Subd. 4. **Payment rates; total wage index.** (a) The commissioner must multiply the  
2.26 base wage component values in subdivision 3 by one plus the appropriate competitive  
2.27 workforce factor. The product is the total wage component value.

2.28 (b) For personal care assistance services, CFSS, extended personal care assistance  
2.29 services, extended CFSS, enhanced rate personal care assistance services, and enhanced  
2.30 rate CFSS, the initial competitive workforce factor is 4.7 percent.

2.31 (c) For qualified professional services and CFSS worker training and development, the  
2.32 competitive workforce factor is zero percent.

3.1 (d) On August 1, 2024, and every two years thereafter, the commissioner shall report to  
3.2 the chairs and ranking minority members of the legislative committees and divisions with  
3.3 jurisdiction over health and human services policy and finance an update of the competitive  
3.4 workforce factors in this subdivision using the most recently available data. The  
3.5 commissioner shall calculate the biennial adjustments to the competitive workforce factor  
3.6 after determining the base wage index updates required in subdivision 3, paragraph (b). The  
3.7 commissioner shall adjust the competitive workforce factor toward the percent difference  
3.8 between: (1) the median wage for personal care aide (SOC code 31-1120); and (2) the  
3.9 weighted average wage for all other SOC codes with the same Bureau of Labor Statistics  
3.10 classifications for education, experience, and training required for job competency.

3.11 (e) The commissioner shall recommend an increase or decrease of the competitive  
3.12 workforce factor from its previous value by no more than three percentage points. If, after  
3.13 a biennial adjustment, the competitive workforce factor is less than or equal to zero, the  
3.14 competitive workforce factor shall be zero.

3.15 Subd. 5. **Payment rates; component values.** (a) The commissioner must use the  
3.16 following component values:

3.17 (1) employee vacation, sick, and training factor, 8.71 percent;

3.18 (2) employer taxes and workers' compensation factor, 11.56 percent;

3.19 (3) employee benefits factor, 12.04 percent;

3.20 (4) client programming and supports factor, 2.30 percent;

3.21 (5) program plan support factor, 7.00 percent;

3.22 (6) general business and administrative expenses factor, 13.25 percent;

3.23 (7) program administration expenses factor, 2.90 percent; and

3.24 (8) absence and utilization factor, 3.90 percent.

3.25 (b) On January 1, 2025, and every two years thereafter, the commissioner shall update  
3.26 the component value in paragraph (a), clause (4), for changes in the Consumer Price Index  
3.27 by the percentage change from the date of any previous update to the data available six  
3.28 months and one day prior to the scheduled update.

3.29 (c) On August 1, 2024, and every two years thereafter, the commissioner shall report to  
3.30 the chairs and ranking minority members of the legislative committees and divisions with  
3.31 jurisdiction over health and human services policy and finance an update on the component  
3.32 values as calculated in paragraph (b).

4.1 Subd. 6. Payment rates; rate determination. (a) The commissioner must determine  
4.2 the rate for personal care assistance services, CFSS, extended personal care assistance  
4.3 services, extended CFSS, enhanced rate personal care assistance services, enhanced rate  
4.4 CFSS, qualified professional services, and CFSS worker training and development as  
4.5 follows:

4.6 (1) multiply the appropriate total wage component value calculated in subdivision 4 by  
4.7 one plus the employee vacation, sick, and training factor in subdivision 5;

4.8 (2) for program plan support, multiply the result of clause (1) by one plus the program  
4.9 plan support factor in subdivision 5;

4.10 (3) for employee-related expenses, add the employer taxes and workers' compensation  
4.11 factor in subdivision 5 and the employee benefits factor in subdivision 5. The sum is  
4.12 employee-related expenses. Multiply the product of clause (2) by one plus the value for  
4.13 employee-related expenses;

4.14 (4) for client programming and supports, multiply the product of clause (3) by one plus  
4.15 the client programming and supports factor in subdivision 5;

4.16 (5) for administrative expenses, add the general business and administrative expenses  
4.17 factor in subdivision 5, the program administration expenses factor in subdivision 5, and  
4.18 the absence and utilization factor in subdivision 5;

4.19 (6) divide the result of clause (4) by one minus the result of clause (5). The quotient is  
4.20 the hourly rate; and

4.21 (7) divide the hourly rate by four. The quotient is the total payment rate.

4.22 (b) The commissioner must publish the total payment rate.

4.23 Subd. 7. Provider agency; required reporting and analysis of cost data. (a) The  
4.24 commissioner shall evaluate on an ongoing basis whether the base wage component values  
4.25 and component values in this section appropriately address the cost to provide the service.  
4.26 The commissioner shall make recommendations to adjust the rate methodology as indicated  
4.27 by the evaluation. As determined by the commissioner and in consultation with stakeholders,  
4.28 agencies enrolled to provide services with rates determined under this section must submit  
4.29 requested cost data to the commissioner. The commissioner may request cost data, including  
4.30 but not limited to:

4.31 (1) worker wage costs;

4.32 (2) benefits paid;

- 5.1 (3) supervisor wage costs;
- 5.2 (4) executive wage costs;
- 5.3 (5) vacation, sick, and training time paid;
- 5.4 (6) taxes, workers' compensation, and unemployment insurance costs paid;
- 5.5 (7) administrative costs paid;
- 5.6 (8) program costs paid;
- 5.7 (9) transportation costs paid;
- 5.8 (10) staff vacancy rates; and
- 5.9 (11) other data relating to costs required to provide services requested by the
- 5.10 commissioner.

5.11 (b) At least once in any three-year period, a provider must submit the required cost data

5.12 for a fiscal year that ended not more than 18 months prior to the submission date. The

5.13 commissioner must provide each provider a 90-day notice prior to its submission due date.

5.14 If a provider fails to submit required cost data, the commissioner must provide notice to

5.15 providers that have not provided required cost data 30 days after the required submission

5.16 date and a second notice for providers who have not provided required cost data 60 days

5.17 after the required submission date. The commissioner must temporarily suspend payments

5.18 to a provider if the commissioner has not received required cost data 90 days after the

5.19 required submission date. The commissioner must make withheld payments when the

5.20 required cost data is received by the commissioner.

5.21 (c) The commissioner must conduct a random validation of data submitted under this

5.22 subdivision to ensure data accuracy. The commissioner shall analyze cost documentation

5.23 in paragraph (a), and provide recommendations for adjustments to cost components.

5.24 (d) The commissioner shall analyze cost documentation in paragraph (a), and may submit

5.25 recommendations on component values, updated base wage component values, and

5.26 competitive workforce factors to the chair and ranking minority members of the legislative

5.27 committees and divisions with jurisdiction over human services policy and finance every

5.28 two years beginning August 1, 2026. The commissioner shall release cost data in an aggregate

5.29 form, and cost data from individual providers shall not be released except as provided for

5.30 in current law.

6.1 (e) The commissioner, in consultation with stakeholders, must develop and implement  
6.2 a process for providing training and technical assistance necessary to support provider  
6.3 submission of cost data required under this subdivision.

6.4 Subd. 8. **Payment rates; reports required.** (a) The commissioner must assess the  
6.5 component values and publish evaluation findings and recommended changes to the rate  
6.6 methodology in a report to the chairs and ranking minority members of the legislative  
6.7 committees and divisions with jurisdiction over health and human services policy and finance  
6.8 by August 1, 2026.

6.9 (b) The commissioner must:

6.10 (1) assess the long-term impacts of the rate methodology implementation on staff  
6.11 providing services with rates determined under this section, including but not limited to  
6.12 measuring changes in wages, benefits provided, hours worked, and retention; and

6.13 (2) publish evaluation findings in a report to the chairs and ranking minority members  
6.14 of the legislative committees and divisions with jurisdiction over health and human services  
6.15 policy and finance by August 1, 2028, and once every two years thereafter.

6.16 **EFFECTIVE DATE.** This section is effective January 1, 2023, or upon federal approval,  
6.17 whichever is later. The commissioner of human services must notify the revisor of statutes  
6.18 when federal approval is obtained."

6.19 Page 23, after line 33, insert:

6.20 "Sec. 5. **DIRECTION TO COMMISSIONER; STUDY OF DIRECT CARE**  
6.21 **WORKERS UTILIZING PUBLIC ASSISTANCE PROGRAMS.**

6.22 The commissioner of human services shall:

6.23 (1) study direct care workers providing personal care assistance and community first  
6.24 services and supports services and the utilization of public assistance programs by these  
6.25 workers;

6.26 (2) analyze the relationship between wages and benefits earned through employment in  
6.27 the direct care workforce and the utilization of public assistance programs, including but  
6.28 not limited to public health care and economic assistance programs administered by the  
6.29 Department of Human Services; and

6.30 (3) submit a report with findings and recommendations to the chairs and ranking minority  
6.31 members of the legislative committees and divisions with jurisdiction over health and human  
6.32 services policy and finance by October 1, 2023."

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