

Subject Disability Waiver Rate System (DWRS) Modifications

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Overview

This bill modifies the Disability Waiver Rate System by requiring future inflationary adjustments to be based on more current data and requiring the competitive workforce factor to be updated periodically, and modifies payment rate calculations for various services to adjust supervisory staff wage rates by the competitive workforce factor.

The Disability Waiver Rate System (DWRS) is Minnesota's uniform, statewide methodology to determine reimbursement rates for home and community-based services provided under the four Medicaid (MA) disability waivers: the community alternative care (CAC) waiver, the community access for disability inclusion (CADI) waiver, the developmental disability (DD) waiver, and the brain injury (BI) waiver.

Summary

Section	Description
1	Base wage index; establishment and updates. Amends § 256B.4914, subd. 5, as amended by Laws 2022, ch. 33, § 1, subd. 5. Bases future updates of the base wage index on more current wage data and changes the timing of future updates.
2	Unit-based services with programming; component values and calculation. Amends § 256B.4914, subd. 8, as amended by Laws 2022, ch. 33, § 1, subd. 5. Modifies the payment rate calculation for unit-based services with programming to adjust supervisory staff wage rates by the competitive workforce factor under DWRS.
3	Unit-based services without programming; component values and calculation of payment rates. Amends § 256B.4914, subd. 9, as amended by Laws 2022, ch. 33, § 1, subd. 9. Modifies the payment rate calculation for unit-based services without programming

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	to adjust supervisory staff wage rates by the competitive workforce factor under DWRS.
4	Standard component value adjustments. Amends Laws 2022, ch. 33, § 1, subd. 5b. Modifies future adjustments to standard component values under DWRS to base the adjustments on more current CPI-U data and modifies the timing of future adjustments.
5	Removal of after-framework adjustments. Amends Laws 2022, ch. 33, § 1, subd. 5c. Makes a conforming cross-reference change.
6	Unavailable data for updates and adjustments. Amends Laws 2022, ch. 33, § 1, subd. 5d. Makes a conforming cross-reference change.
7	Competitive workforce factor adjustments. Amends Laws 2022, ch. 33, § 1, by adding subd. 5f. Paragraph (a) requires the commissioner to update the competitive workforce factor on January 1, 2023, and every two years thereafter, and specifies the information to be used and the calculation for the update. Paragraph (b) prohibits the update from decreasing the competitive workforce factor by more than 2.0 and prohibits the competitive workforce factor from being less than zero.
8	Inflationary update spending requirement; competitive workforce factor. Amends Laws 2022, ch. 33, § 1, by adding subd. 5g. Paragraph (a) requires 100% of the marginal increase in revenue from the competitive workforce factor rate adjustment to be used to increase compensation-related costs for employees directly employed by the program on or after January 1, 2023. Paragraph (b) lists what is included in compensation-related costs. Paragraph (c) does not count compensation-related costs for persons employed in the central office of a corporation or entity that has an ownership interest in the provider or exercises control over the provider, or for persons paid under a management contract, toward the 100% requirement. Paragraph (d) requires a provider agency or individual provider that receives a rate subject to the requirements of this subdivision to: (1) prepare a distribution plan that specifies the amount of money the provider expects to receive and how that money will be distributed to increase compensation-related costs for employees; and (2)

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	<p>post the distribution plan and leave it posted for a period of at least six months in an area of the provider’s operation to which all direct support professionals have access.</p> <p>Paragraph (e) specifies this subdivision expires June 30, 2024.</p>
9	<p>Community residential services; component values and calculation of payment rates.</p> <p>Amends Laws 2022, ch. 33, § 1, subd. 6a. Modifies the payment rate calculation for community residential services to adjust supervisory staff wage rates by the competitive workforce factor under DWRS.</p>
10	<p>Family residential services; component values and calculation of payment rates.</p> <p>Amends Laws 2022, ch. 33, § 1, subd. 6b. Modifies the payment rate calculation for family residential services to adjust supervisory staff wage rates by the competitive workforce factor under DWRS.</p>
11	<p>Integrated community supports; component values and calculation of payment rates.</p> <p>Amends Laws 2022, ch. 33, § 1, subd. 6c. Modifies the payment rate calculation for integrated community supports to adjust supervisory staff wage rates by the competitive workforce factor under DWRS.</p>
12	<p>Adult day services; component values and calculation of payment rates.</p> <p>Amends Laws 2022, ch. 33, § 1, subd. 7a. Modifies the payment rate calculation for adult day services to adjust supervisory staff wage rates by the competitive workforce factor under DWRS.</p>
13	<p>Day support services; component values and calculation of payment rates.</p> <p>Amends Laws 2022, ch. 33, § 1, subd. 7b. Modifies the payment rate calculation for day support services to adjust supervisory staff wage rates by the competitive workforce factor under DWRS.</p>
14	<p>Prevocational services; component values and calculation of payment rates.</p> <p>Amends Laws 2022, ch. 33, § 1, subd. 7c. Modifies the payment rate calculation for prevocational services to adjust supervisory staff wage rates by the competitive workforce factor under DWRS.</p>
15	<p>Respite services; component values and calculation of payment rates.</p> <p>Amends Laws 2022, ch. 33, § 1, subd. 9a. Modifies the payment rate calculation for respite services to adjust supervisory staff wage rates by the competitive workforce factor under DWRS.</p>

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16	<p>Reporting and analysis of competitive workforce factor.</p> <p>Amends Laws 2022, ch. 33, § 1, subd. 10c. Modifies the date by which the commissioner must begin reporting to the legislature with an analysis of the competitive workforce factor and makes conforming changes.</p>
17	<p>Effective date.</p> <p>Makes sections 1 to 16 effective July 1, 2022, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.</p>



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