

# Disproportionate Share Facility Program (256S.205)

## Program History

In 2021, the Disproportionate Share Facility Program was created to allow for greater choice in housing for Minnesotans on the Elderly Waiver (EW). The program provides for a rate floor for facilities serving certain individuals who receive 24-hour Customized Living services under the Elderly Waiver, which is essentially an alternative to institutional care in a nursing home.

Prior to creating the program, Elderly Waiver rates were insufficient to cover the costs associated with living in an assisted living facility, in spite of the fact that the alternative was for the state to send these same individuals to a nursing facility, at an increased cost of more than \$100 per day, borne by the state. Because of the low EW rates, most assisted living communities limited the number of low-income residents that they would accept.

With passage of the Disproportionate Share Facility rate floor, assisted living facilities with modern, secure and comfortable private apartments and market rate amenities are able to house and provide services to a population that includes 80-95% Medicaid-enrolled individuals.

## Key Facts

To be eligible for the EW rate floor, facilities must prove annually that:



AT LEAST  
**83.5%** of residents must receive  
customized living services



AT LEAST  
**70%** of residents must be  
Elderly Waiver participants

The program specifies that **if the Elderly Waiver program is implemented at 100%, the disproportionate rate floor program will end.**

## Current Status: Outdated Wage Data = Inaccurate Implementation Data

Last session, the legislature increased funding for the Elderly Waiver, which then increased the 2024 rate floor to \$190 per day in accordance with statute. **The Minnesota Department of Health Services is claiming that the EW is now implemented at 100%, but this is based on wage rates from 2017.** Due to outdated wage data, some are working to end the Disproportionate Share Facility Program at the end of the year claiming that EW is 100% implemented.



2017 WAGES



2024 WAGES



With the significant wage inflation that has occurred over the last few years, **using rates based on 2017 wages to cover Elderly Waiver participants will continue to prove insufficient to cover associated service costs.**