

HOUSE RESEARCH

Bill Summary

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Authors: Norton and others

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Analyst: Danyell A. Punelli, 651-296-5058

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Overview

This bill provides for a statewide payment rate-setting methodology for home and community-based services waivers.

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- 1 Distribution of funds; partnerships.** Amends § 256B.0916, subd. 2. Modifies the distribution of funds to counties for the DD waiver.
- 2 Home and community-based services for developmental disabilities.** Amends § 256B.092, subd. 4. Modifies county allocations for the DD waiver.
- 3 Cost of services and supports.** Amends § 256B.49, subd. 17. Modifies county allocations for the CAC, CADI, and BI waivers.
- 4 Payment methodology development.** Amends § 256B.4913.
 - Subd. 1. Research period and rates.** Repeals this subdivision.
 - Subd. 2. Framework values.** Repeals this subdivision.
 - Subd. 3. Data collection.** Repeals this subdivision.
 - Subd. 4. Rate stabilization adjustment.** 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 annual service review. Allows exemptions only when there is a significant

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change in the recipient's assessed needs which results in a service authorization change. Specifies limitations and management of exemptions.

Subd. 5. Stakeholder consultation. 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.

Subd. 6. Implementation. Implements the new payment rate methodology for HCBS waivers beginning January 1, 2016.

5 Home and community-based waivers; rate setting. Creates § 256B.4914.

Subd. 1. Application. Makes the payment methodologies apply to the CAC, CADI, DD, and BI home and community-based services (HCBS) waivers.

Subd. 2. Definitions. Defines the terms "commissioner," "component value," "customized living tool," "disability waiver rates system," "lead agency," "payment or rate," "rates management system," and "recipient."

Subd. 3. Applicable services. Lists the applicable services authorized under the state's home and community-based waivers for persons with disabilities.

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 rate management system.

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.

Subd. 6. Payments for residential support services. Specifies how payments for residential support services are calculated.

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.

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.

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

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outside of any day or residential service plan are calculated.

Subd. 10. Updating payment values and additional information. Requires the commissioner to develop and implement uniform procedures to refine terms and recommend changes to 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 jointly collect and analyze data on specified topics and to report to the legislature by February 15, 2015, either with legislation or a detailed explanation of why no legislation is recommended to address the specified topics.

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.

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.

Subd. 13. Rates for individuals with exceptional needs. Specifies a process for establishing exceptions to payment rates determined under subdivisions 6 to 9.

Subd. 14. 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.

Makes this section effective January 1, 2016.