

# HOUSE RESEARCH

## Bill Summary

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**Authors:** Newton and others

**Subject:** HCBS and ICF/DD Rate Increases

**Analyst:** Danyell A. Punelli

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### Overview

This bill provides five percent rate increases to ICF/DDs and home and community-based services providers effective July 1, 2014.

#### Section

- 1 ICF/DD rate increases effective July 1, 2014.** Amends § 256B.5012, by adding subd. 16. Increases operating payment rates for ICFs/DD by 5 percent for the rate period beginning on July 1, 2014. Specifies the manner in which the commissioner must apply the rate increase.
- Requires ICF/DDs to use 75 percent of the money resulting from the rate increase for increases in compensation-related costs for employees directly employed by the facility on or after the effective date of the rate increase, with certain exceptions. Specifies the items included in compensation-related costs. Requires the commissioner to amend state grant contracts that include direct personnel-related expenditures to include the allocation for the portion of the contract related to employee compensation. Requires the Board on Aging and the area agencies on aging to amend their grants that include direct personnel-related grant expenditures to include the rate adjustment for the portion of the grant related to employee compensation. Requires facilities to prepare a plan that specifies how the compensation-related increase will be distributed to increase compensation for employees and to post the distribution plan for a period of at least six weeks in an area of the facility's operation to which all eligible employees have access.

## **Section**

- 2**      **Provider rate and grant increases effective July 1, 2014.** Increases reimbursement rates, grants, allocations, individual limits, and rate limits, as applicable, by 5 percent on July 1, 2014, for a variety of continuing care providers. Requires the commissioner to adjust calculations under the disability waiver rates system and banding values by 5 percent effective July 1, 2014. Requires managed care plans receiving state payments for the services in this section to include these increases in their payments to providers. Requires counties to increase the budget for each recipient of consumer-directed community supports by 5 percent on July 1, 2014. Requires providers to use 75 percent of the money resulting from the rate increase for increases in compensation-related costs for employees directly employed by the provider on or after the effective date of the rate increase, with certain exceptions. Specifies the items included in compensation-related costs. Requires the commissioner to amend state grant contracts that include direct personnel-related expenditures to include the allocation for the portion of the contract related to employee compensation. Requires the Board on Aging and the area agencies on aging to amend their grants that include direct personnel-related grant expenditures to include the rate adjustment for the portion of the grant related to employee compensation. Requires providers to prepare a plan that specifies how the compensation-related increase will be distributed to increase compensation for employees and to post the distribution plan for a period of at least six weeks in an area of the provider's operation to which all eligible employees have access.
- 3**      **Appropriation.** Appropriates an unspecified amount for fiscal year 2015 from the general fund to the commissioner of human services for the purposes of sections 1 and 2.