HOUSE RESEARCH
Bill Summary

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Subject: Disability Waiver Rate System

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Overview

This bill modifies the disability waiver rate system. In 2013, the disability waiver rate system was established in order to comply with a federal requirement that the state have a statewide rate-setting methodology. Prior to that time, rates for services were negotiated by service providers and lead agencies.

Section

1 **Excess allocations and underspending.** Amends § 256B.49, subd. 26. Modifies the provision related to excess allocations of certain MA home and community-based waiver funds. Adds language related to underspending of certain MA home and community-based waiver funds. Prohibits anything in this subdivision from being construed as reducing a county or tribal agency's responsibility to offer and make available feasible home and community-based options to eligible waiver recipients within the resources allocated to that agency for that purpose. Requires a reduction of services to an eligible waiver recipient to only be based on a change in that recipient's need.

2 **Rate stabilization adjustment.** Amends § 256B.4913, subd. 4a. Defines "rate adjustment moratorium period." Modifies the banding period. Prohibits the commissioner from enforcing any rate decrease or increase that would otherwise result from the end of the banding period during the rate adjustment moratorium period.

3 **Stakeholder consultation and county training.** Amends § 256B.4913, subd. 5. Requires the commissioner to (1) train county personnel responsible for administering the rate-setting framework and (2) maintain an interactive online instruction manual explaining the rate-setting framework. Prohibits trainees from setting the rates of waiver recipients until they have demonstrated their proficiency to the satisfaction of the commissioner. Prohibits the

Section

commissioner from deferring to the county or tribal agency on matters of technical application of the rate-setting framework. Prohibits county and tribal agencies from setting rates in a manner that conflicts with the rate-setting framework.

4 **Definitions.** Amends § 256B.4914, subd. 2. Defines "person-centered staffing environments" and removes the definition of "shared staffing."

5 **Payments for day programs.** Amends § 256B.4914, subd. 7. Modifies certain payments for services with day programs including payments for program facility costs and transportation costs.

6 **Payments for unit-based services with programming.** Amends § 256B.4914, subd. 8. Modifies the formula for determining the rate. Makes technical and conforming changes.

7 **Updating payment values and additional information.** Amends § 256B.4914, subd. 10. Clarifies the information the commissioner must gather related to the underlying costs for services provided by a license holder. Modifies the list of items the commissioner must review and evaluate. By January 1, 2016, requires the commissioner to develop person-centered staffing environments. In developing the staffing environments, requires the commissioner to consider individual needs, including but not limited to community integration, nutritional, physical, behavioral, on-site medical, and off-site medical needs.

8 **Exceptions.** Amends § 256B.4914, subd. 14. Modifies the process for requesting and determining rate exceptions under the disability waiver rate system.

9 **County or tribal allocations.** Amends § 256B.4914, subd. 15. Modifies the provision related to excess allocations by requiring lead agencies that exceed their waiver allocations to submit a corrective action plan to the commissioner. Under current law, lead agencies that exceed their waiver allocations are responsible for the overspending.

10 **Budget neutrality adjustments.** Amends § 256B.4914, subd. 16. Modifies the multiplication factor used to determine the rate for unit-based services with programming and makes this change effective July 1, 2015. Requires the commissioner to annually compare estimated spending for all home and community-based waiver services under the new payment rates with estimated spending for the same recipients and services under the rates in effect on July 1, 2013. Current law only requires this comparison within 12 months of January 1, 2014. Clarifies when the commissioner is required to adjust the budget neutrality factor.