

# HOUSE RESEARCH

## Bill Summary

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**Subject:** Home and Community-Based Services Rate Increases

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### Overview

This bill provides ICF/DDs and various home and community-based providers a five percent increase in reimbursement rates, grants, allocations, individual limits, and rate limits, as applicable, for the rate period beginning July 1, 2016.

#### Section

**1 Disability Waiver Reimbursement Rate Adjustments.** Creates § 256B.4915.

**Subd. 1. Historical rate.** Requires the commissioner to adjust the historical disability waiver rates in effect during the banding period for each reimbursement rate increase effective on or after July 1, 2016.

**Subd.2. Residential support services.** Requires the commissioner to adjust the residential support services rates for each reimbursement rate increase effective on or after July 1, 2016.

**Subd. 3. Day programs.** Requires the commissioner to adjust the day program rates for each reimbursement rate increase effective on or after July 1, 2016.

**Subd. 4. Unit-based services with programming.** Requires the commissioner to adjust the unit-based services with programming rates for each reimbursement rate increase effective on or after July 1, 2016.

**Subd. 5. Unit-based services without programming.** Requires the commissioner to adjust the unit-based services without programming rates for each reimbursement rate increase effective on or after July 1, 2016.

## Section

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**Home and community-based service provider rate and grant increases.** Creates § 256B.4919.

**Subd. 1. Rate and grant increases.** Requires the commissioner to increase rates, grants, allocations, individual limits, and rate limits, as applicable, by five percent for the rate period beginning July 1, 2016, for services rendered on or after those dates. Requires county or tribal contracts for services specified in this section to be amended to pass through these rate increases within 60 days of the effective date of each increase. Specifies that the five percent increase consists of a workforce compensation component of three percent, a quality component of one percent, and a person-centered component of one percent.

**Subd. 2. Eligible services, grants, and programs.** Lists the services for which the rate increases must be provided.

**Subd. 3. Managed care and county-based purchasing plans.** Requires managed care plans or county-based purchasing plans receiving state payments for the services listed in subdivision 2 to include these increases in their payments to providers. Specifies the manner in which the commissioner must implement the rate increases for managed care plans and county-based purchasing plans.

**Subd. 4. Consumer-directed community supports.** Requires counties to increase the budget for each recipient of consumer-directed community supports by five percent on the effective date of the rate adjustment under subdivision 1.

**Subd. 5. Workforce compensation component.** Requires providers that receive a rate increase to use the additional revenue attributed to the workforce compensation component to increase compensation-related costs for employees directly employed by the program on or after the effective dates of the rate adjustments in subdivision 1, except for certain listed employees.

**Subd. 6. Compensation-related costs.** Lists compensation-related costs.

**Subd. 7. Public employees under collective bargaining agreement.** Specifies how the wage and benefit increases apply to public employees under a collective bargaining agreement.

**Subd. 8. Employees represented by exclusive bargaining representative.** Specifies requirements for providers that have employees that are represented by an exclusive bargaining representative.

**Subd. 9. State grant contracts.** Requires the commissioner to amend state grant contracts that include direct personnel-related grant expenditures to include the allocation for the portion of the contract related to employee compensation. Specifies the timelines for the contracts to be amended and the effective date of the increase.

**Subd. 10. Board on Aging; area agencies on aging.** Requires the Board on Aging and its area agencies on aging to amend their grants that include direct personnel-related grant expenditures to include the allocation for the portion of the contract related to employee compensation. Specifies the timelines for the contracts to be amended and the effective date of the increase.

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**Subd. 11. Distribution plan.** Paragraph (a) requires providers that receive a rate adjustment to prepare, and upon request, submit to the commissioner a distribution plan that specifies the amount of money the provider expects to receive that is subject to the employee compensation encumbrance, including how the money will be distributed to increase compensation for employees.

Paragraph (b) requires providers to post the distribution plan in an area of the provider's operation to which all eligible employees have access and to provide instructions for employees who do not believe they have received the wage and other compensation-related increases specified in the plan. Lists the information that must be included in the instructions.

**Subd. 12. Quality component.** Specifies the requirements a provider must meet in order to receive the quality component of the rate increase.

**Subd. 13. Person-centered component.** Specifies the requirements a provider must meet in order to receive the person-centered component of the rate increase.

**Subd. 14. Exemptions.** Lists exemptions from the requirements of subdivisions 12 and 13.

Makes this section effective the day following final enactment.

- 3 ICF/DD rate increase effective July 1, 2016.** Amends § 256B.5012, by adding subd. 17. Paragraph (a) requires the commissioner, for the rate period beginning on July 1, 2016, to increase operating payment rates for each ICF/DD reimbursed under this section equal to five percent of the operating payment rates in effect June 30, 2016. Specifies that the five percent rate increase consists of a workforce compensation component of three percent, a quality component of one percent, and a person-centered component of one percent.
- Paragraph (b) specifies how the commissioner must apply the rate increase to each facility.
- Paragraph (c) requires facilities that receive a rate increase to use the additional revenue attributed to the workforce compensation component to increase compensation-related costs for employees directly employed by the facility on or after the effective dates of the rate adjustments in paragraph (a), except for certain listed employees.
- Paragraph (d) lists compensation-related costs.
- Paragraph (e) specifies how the wage and benefit increases apply to public employees under a collective bargaining agreement.
- Paragraph (f) specifies requirements for facilities that have employees that are represented by an exclusive bargaining representative.
- Paragraph (g) requires the commissioner to amend state grant contracts that include direct personnel-related grant expenditures to include the allocation for the portion of the contract related to employee compensation. Specifies the timelines for the contracts to be amended and the effective date of the increase.
- Paragraph (h) requires facilities that receive a rate adjustment to prepare, and upon request, submit to the commissioner a distribution plan that specifies the amount of money the facility

**Section**

expects to receive that is subject to the employee compensation encumbrance in paragraphs (c) and (d), including how the money will be distributed to increase compensation for employees.

Paragraph (i) requires facilities to post the distribution plan in an area of the facility's operation to which all eligible employees have access and to provide instructions for employees who do not believe they have received the wage and other compensation-related increases specified in the plan. Lists the information that must be included in the instructions.

Paragraph (j) specifies the requirements a facility must meet in order to receive the quality component of the rate increase.

Paragraph (k) specifies the requirements a facility must meet in order to receive the person-centered component of the rate increase.

4 **Revisor's instruction.** Instructs the revisor of statutes to renumber certain Minnesota Statutes related to home and community-based services rates to place them near other related statutes and to make necessary cross-reference changes consistent with the renumbering.

5 **Repealer.** Repeals Minnesota Statutes section 256B.5012, subs. 4, 5, 6, 7, 8, 9, 10, 11, and 14 (various ICF/DD rate adjustments that have all been implemented) effective the day following final enactment.