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**Authors:** Schomacker and others

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**Analyst:** Danyell A. Punelli

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### Overview

This bill modifies the Disability Waiver Rate System (DWRS). The DWRS was enacted by the legislature in 2013 in order to comply with federal requirements that MA rates be determined according to a statewide methodology. Prior to the implementation of DWRS, counties contracted with providers and set the rates.

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- 1**      **Definitions.** Amends § 256B.4914, subd. 2. Adds a definition of “licensing fee” to the DWRS. Makes conforming changes.
- 2**      **Data collection for rate determination.** Amends § 256B.4914, subd. 4. Makes conforming changes to cross-references.
- 3**      **Base wage index and standard component values.** Amends § 256B.4914, subd. 5. Updates various base wages and establishes base wages for employment exploration staff and employment development services staff. Modifies the absence and utilization factor component value for day services and establishes a component value for recipient fixed costs. Increases the frequency with which the commissioner must update the base wage index and framework components from every five years to every two years, and requires the commissioner to use more recent data when updating these values.
- 4**      **Payments for residential support services.** Amends § 256B.4914, subd. 6. Makes a conforming change to a cross-reference and modifies the transportation amount used in the payment calculation for residential support services.

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- 5**      **Payments for day programs.** Amends § 256B.4914, subd. 7. Makes a conforming change to a cross-reference and modifies the transportation component of the payment for day programs.
- 6**      **Payments for unit-based services with programming.** Amends § 256B.4914, subd. 8. Makes a conforming change to a cross-reference and specifies that certain mandated activities under the Home and Community-Based Services Standards chapter of statute and rules are billable services, including:
- health services;
  - protection standards;
  - service planning and delivery; and
  - program coordination, evaluation, and oversight.
- 7**      **Payments for unit-based services without programming.** Amends § 256B.4914, subd. 9. Makes conforming changes to cross-references and specifies that certain mandated activities under the Home and Community-Based Services Standards chapter of statute and rules are billable services, including:
- health services;
  - protection standards;
  - service planning and delivery; and
  - program coordination, evaluation, and oversight.
- 8**      **Licensing fees.** Amends § 256B.4914, by adding subd. 9a. Requires the provider cost of all licensing fees, and any increases in licensing fees, to be automatically added to the service rates under DWRS, and specifies the manner in which the commissioner must add licensing fees to rates. Makes the rate adjustment retroactive to the date the licensing fees are assessed.
- 9**      **Updating payment values and additional information.** Amends § 256B.4914, subd. 10. Makes a conforming change to a cross-reference.
- 10**     **Exceptions.** Amends § 256B.4914, subd. 14. Removes obsolete language. Paragraph (o), for all service recipients who were authorized to receive waiver services on December 1, 2013, and have continued to receive services from the same provider, requires the commissioner to make annual adjustments to individual reimbursement rates so that the unit rate is no lower than 1.0 percent from the rate in effect during the final year of the banding period. Requires the individual reimbursement rate for those service recipients to be reduced by 1.0 percent annually until the adjusted individual rate is equal to the service rate determined under the DWRS.
- Paragraph (p), for a service recipient who receives a waiver service that has a service rate determined under the DWRS that is 10 percent or more below the historical rate, requires the lead agency to review whether the service recipient's access to services is impacted by the reduced rate. Specifies additional duties of the lead agency related to determining if the recipient is able to continue to access equivalent services in the same geographic area as the

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waiver services that triggered the review. Requires the lead agency to recommend, and the commissioner to approve, an individual reimbursement rate for that service at an increased level sufficient to provide continued access to the same or equivalent service in the same geographic area if it is determined that the recipient would otherwise likely be denied access to equivalent services.

Makes paragraphs (o) and (p) effective January 1, 2020.

- 11 Prompt issuance of service agreement authorizations.** Amends § 256B.4914, by adding subd. 17. After rates are generated by the framework, requires lead agencies responsible for the processing of service authorizations to promptly and expeditiously transmit all approvals and information necessary for the commissioner to issue service agreements. Specifies requirements service agreements must meet. Allows a license holder to petition the commissioner for a corrective rate adjustment if the license holder has reason to believe that a lead agency set a service agreement in violation of certain requirements. Gives the commissioner the authority to require a lead agency to submit a corrective action plan or to relinquish to the commissioner the authority to process service agreements if a lead agency fails to process service agreements according to the requirements in this subdivision.

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

**Subd. 1. Historical rate.** Requires the commissioner to adjust the historical rates calculated under DWRS, in effect during the banding period, for each reimbursement rate increase effective after January 1, 2014.

**Subd. 2. Residential support services.** Requires the commissioner to adjust the residential support services rates for each reimbursement rate increase effective between January 1, 2014, and June 30, 2017.

**Subd. 3. Day programs.** Requires the commissioner to adjust the day services rates for each reimbursement rate increase effective between January 1, 2014, and June 30, 2017.

**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 between January 1, 2014, and June 30, 2017.

**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 between January 1, 2014, and June 30, 2017.