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Authors: Schomacker

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Analyst: Danyell A. Punelli

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Overview

This bill makes various changes to the DWRS including defining “direct care staff,” modifying the automatic inflationary adjustments under DWRS, removing the regional variance factor from DWRS rate calculations, requiring providers to annually submit labor market data to the commissioner, and requiring the Department of Human Services (DHS) to annually publish a report on provider and state-level labor market data.

The DWRS was enacted by the legislature in 2013 in order to comply with federal requirements that medical assistance (MA) rates be determined according to a statewide methodology. Prior to the implementation of DWRS, counties contracted with providers and set reimbursement rates. DHS administers the DWRS.

Enactment of the DWRS created a statewide framework within which reimbursement rates for services provided under the MA home and community-based services (HCBS) disability waivers are established. One element of the DWRS framework is a periodic inflationary increase, which requires DHS to: (1) update the base wage index component of the DWRS framework using data from the Bureau of Labor Statistics; and (2) update certain other DWRS component values based on changes in the Consumer Price Index-All Items, United States city average. The first inflationary increase occurred on July 1, 2017.

Applicable services under DWRS are those authorized under the state’s four MA HCBS disability waivers: brain injury waiver, waiver for persons with

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developmental disabilities, community access for disability inclusion waiver, and the community alternative care waiver.

- 1 **Definitions.** Amends § 256B.4914, subd. 2. Defines “direct care staff” under the DWRS and makes technical and conforming changes.
- 2 **Data collection for rate determination.** Amends § 256B.4914, subd. 4. Makes technical and conforming changes.
- 3 **Base wage index and standard component values.** Amends § 256B.4914, subd. 5. Paragraphs (h) and (i) modify the automatic inflationary adjustments to the base wage index and certain framework components that are included in the DWRS. The modifications include: (1) changing the date of the next inflationary adjustment from July 1, 2022, to January 1, 2022; (2) increasing the frequency of the adjustments from every five years to every two years; and (3) clarifying the manner in which the adjustments are calculated.

Paragraph (k) requires the commissioner to update the base wage index with a competitive workforce factor of 8.35 percent.

Makes this section effective January 1, 2022, except the amendments to paragraph (k) are effective July 1, 2018, or upon federal approval. Requires the commissioner of human services to notify the revisor of statutes when federal approval is obtained.
- 4 **Payments for residential support services.** Amends § 256B.4914, subd. 6. Removes the regional variance factor from the DWRS rate calculations. Makes this section effective July 1, 2022.
- 5 **Payments for day programs.** Amends § 256B.4914, subd. 7. Removes the regional variance factor from the DWRS rate calculations. Makes this section effective July 1, 2022.
- 6 **Payments for unit-based services with programming.** Amends § 256B.4914, subd. 8. Removes the regional variance factor from the DWRS rate calculations. Makes this section effective July 1, 2022.
- 7 **Payments for unit-based services without programming.** Amends § 256B.4914, subd. 9. Removes the regional variance factor from the DWRS rate calculations. Makes this section effective July 1, 2022.
- 8 **Updating payment values and additional information.** Amends § 256B.4914, subd. 10. Adds direct care staff labor market measures to the list of items DHS must review and evaluate under the DWRS.
- 9 **Reporting and analysis of cost data.** Amends § 256B.4914, subd. 10a. Adds paragraph (f), which requires providers enrolled to provide services with rates determined under DWRS to submit labor market data to the commissioner annually beginning January 1, 2019.

Adds paragraph (g), which requires the commissioner to publish annual reports on provider and state-level labor market data, beginning January 15, 2020.
- 10 **Disability waiver reimbursement rate adjustments.** Amends Laws 2014, ch. 312, art. 27, § 76.

Subd. 1. Historical rate. Makes technical and conforming changes.

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Subd. 2. Residential support services. Removes this subdivision.

Subd. 3. Day programs. Removes this subdivision.

Subd. 4. Unit-based services with programming. Removes this subdivision.

Subd. 5. Unit-based services without programming. Removes this subdivision.