

256B.4913 PAYMENT METHODOLOGY DEVELOPMENT.

Subdivision 1. **Research period and rates.** (a) For the purposes of this section, "research rate" means a proposed payment rate for the provision of home and community-based waived services to meet federal requirements and assess the implications of changing resources on the provision of services and "research period" means the time period during which the research rate is being assessed by the commissioner.

(b) The commissioner shall determine and publish initial frameworks and values to generate research rates for individuals receiving home and community-based services.

(c) The initial values issued by the commissioner shall ensure projected spending for home and community-based services for each service area is equivalent to projected spending under current law in the most recent expenditure forecast.

(d) The initial values issued shall be based on the most updated information and cost data available on supervision, employee-related costs, client programming and supports, programming planning supports, transportation, administrative overhead, and utilization costs. These service areas are:

(1) residential services, defined as corporate foster care, family foster care, residential care, supported living services, customized living, and 24-hour customized living;

(2) day program services, defined as adult day care, day training and habilitation, prevocational services, structured day services, and transportation;

(3) unit-based services with programming, defined as in-home family support, independent living services, supported living services, supported employment, behavior programming, and housing access coordination; and

(4) unit-based services without programming, defined as respite, personal support, and night supervision.

(e) The commissioner shall make available the underlying assessment information, without any identifying information, and the statistical modeling used to generate the initial research rate and calculate budget neutrality.

Subd. 2. **Framework values.** (a) The commissioner shall propose legislation with the specific payment methodology frameworks, process for calculation, and specific values to populate the frameworks by February 15, 2013.

(b) The commissioner shall provide underlying data and information used to formulate the final frameworks and values to the existing stakeholder workgroup by January 15, 2013.

(c) The commissioner shall provide recommendations for the final frameworks and values, and the basis for the recommendations, to the legislative committees with jurisdiction over health and human services finance by February 15, 2013.

(d) The commissioner shall review the following topics during the research period and propose, as necessary, recommendations to address the following research questions:

(1) underlying differences in the cost to provide services throughout the state;

(2) a data-driven process for determining labor costs and customizations for staffing classifications included in each rate framework based on the services performed;

- (3) the allocation of resources previously established under section 256B.501, subdivision 4b;
 - (4) further definition and development of unit-based services;
 - (5) the impact of splitting the allocation of resources for unit-based services for those with programming aspects and those without;
 - (6) linking assessment criteria to future assessment processes for determination of customizations;
 - (7) recognition of cost differences in the use of monitoring technology where it is appropriate to substitute for supervision;
 - (8) implications for day services of reimbursement based on a unit rate and a daily rate;
 - (9) a definition of shared and individual staffing for unit-based services;
 - (10) the underlying costs of providing transportation associated with day services; and
 - (11) an exception process for individuals with exceptional needs that cannot be met under the initial research rate, and an alternative payment structure for those individuals.
- (e) The commissioner shall develop a comprehensive plan based on information gathered during the research period that uses statistically reliable and valid assessment data to refine payment methodologies.

(f) The commissioner shall make recommendations and provide underlying data and information used to formulate these research recommendations to the existing stakeholder workgroup by January 15, 2013.

Subd. 3. Data collection. (a) The commissioner shall conduct any necessary research and gather additional data for the further development and refinement of payment methodology components. These include but are not limited to:

- (1) levels of service utilization and patterns of use;
- (2) staffing patterns for each service;
- (3) profiles of individual service needs; and
- (4) cost factors involved in providing transportation services.

(b) The commissioner shall provide this information to the existing stakeholder workgroup by January 15, 2013.

Subd. 4. Rate stabilization adjustment. Beginning January 1, 2014, the commissioner shall adjust individual rates determined by the new payment methodology so that the new rate varies no more than one percent per year from the rate effective on December 31 of the prior calendar year. This adjustment is made annually and is effective for three calendar years from the date of implementation. This subdivision expires January 1, 2017.

Subd. 5. Stakeholder consultation. The commissioner shall continue consultation on regular intervals with the existing stakeholder group established as part of the rate-setting methodology process to gather input, concerns, and data, and exchange ideas for the legislative proposals for the new rate payment system and make pertinent information available to the public through the department's Web site.

Subd. 6. **Implementation.** The commissioner may implement changes no sooner than January 1, 2014, to payment rates for individuals receiving home and community-based waived services after the enactment of legislation that establishes specific payment methodology frameworks, processes for rate calculations, and specific values to populate the payment methodology frameworks.

History: *2012 c 216 art 18 s 27*