

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 1758

(SENATE AUTHORS: WESTROM and Eken)

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OFFICIAL STATUS
Introduction and first reading
Referred to Health and Human Services Finance and Policy

1.1 A bill for an act
1.2 relating to human services; eliminating regional variance factors for certain medical
1.3 assistance services; amending Minnesota Statutes 2016, section 256B.4914,
1.4 subdivisions 6, 7, 8, 9.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2016, section 256B.4914, subdivision 6, is amended to read:

1.7 Subd. 6. **Payments for residential support services.** (a) Payments for residential support
1.8 services, as defined in sections 256B.092, subdivision 11, and 256B.49, subdivision 22,
1.9 must be calculated as follows:

1.10 (1) determine the number of shared staffing and individual direct staff hours to meet a
1.11 recipient's needs provided on site or through monitoring technology;

1.12 (2) personnel hourly wage rate must be based on the 2009 Bureau of Labor Statistics
1.13 Minnesota-specific rates or rates derived by the commissioner as provided in subdivision
1.14 5. This is defined as the direct-care rate;

1.15 (3) for a recipient requiring customization for deaf and hard-of-hearing language
1.16 accessibility under subdivision 12, add the customization rate provided in subdivision 12
1.17 to the result of clause (2). This is defined as the customized direct-care rate;

1.18 (4) multiply the number of shared and individual direct staff hours provided on site or
1.19 through monitoring technology and nursing hours by the appropriate staff wages in
1.20 subdivision 5, paragraph (a), or the customized direct-care rate;

1.21 (5) multiply the number of shared and individual direct staff hours provided on site or
1.22 through monitoring technology and nursing hours by the product of the supervision span

2.1 of control ratio in subdivision 5, paragraph (b), clause (1), and the appropriate supervision
2.2 wage in subdivision 5, paragraph (a), clause (16);

2.3 (6) combine the results of clauses (4) and (5), excluding any shared and individual direct
2.4 staff hours provided through monitoring technology, and multiply the result by one plus
2.5 the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (b),
2.6 clause (2). This is defined as the direct staffing cost;

2.7 (7) for employee-related expenses, multiply the direct staffing cost, excluding any shared
2.8 and individual direct staff hours provided through monitoring technology, by one plus the
2.9 employee-related cost ratio in subdivision 5, paragraph (b), clause (3);

2.10 (8) for client programming and supports, the commissioner shall add \$2,179; and

2.11 (9) for transportation, if provided, the commissioner shall add \$1,680, or \$3,000 if
2.12 customized for adapted transport, based on the resident with the highest assessed need.

2.13 (b) The total rate must be calculated using the following steps:

2.14 (1) subtotal paragraph (a), clauses (7) to (9), and the direct staffing cost of any shared
2.15 and individual direct staff hours provided through monitoring technology that was excluded
2.16 in clause (7);

2.17 (2) sum the standard general and administrative rate, the program-related expense ratio,
2.18 and the absence and utilization ratio; and

2.19 (3) divide the result of clause (1) by one minus the result of clause (2). This is the total
2.20 payment amount; ~~and~~.

2.21 ~~(4) adjust the result of clause (3) by a factor to be determined by the commissioner to~~
2.22 ~~adjust for regional differences in the cost of providing services.~~

2.23 (c) The payment methodology for customized living, 24-hour customized living, and
2.24 residential care services must be the customized living tool. Revisions to the customized
2.25 living tool must be made to reflect the services and activities unique to disability-related
2.26 recipient needs.

2.27 (d) For individuals enrolled prior to January 1, 2014, the days of service authorized must
2.28 meet or exceed the days of service used to convert service agreements in effect on December
2.29 1, 2013, and must not result in a reduction in spending or service utilization due to conversion
2.30 during the implementation period under section 256B.4913, subdivision 4a. If during the
2.31 implementation period, an individual's historical rate, including adjustments required under

3.1 section 256B.4913, subdivision 4a, paragraph (c), is equal to or greater than the rate
3.2 determined in this subdivision, the number of days authorized for the individual is 365.

3.3 (e) The number of days authorized for all individuals enrolling after January 1, 2014,
3.4 in residential services must include every day that services start and end.

3.5 Sec. 2. Minnesota Statutes 2016, section 256B.4914, subdivision 7, is amended to read:

3.6 Subd. 7. **Payments for day programs.** Payments for services with day programs
3.7 including adult day care, day treatment and habilitation, prevocational services, and structured
3.8 day services must be calculated as follows:

3.9 (1) determine the number of units of service and staffing ratio to meet a recipient's needs:

3.10 (i) the staffing ratios for the units of service provided to a recipient in a typical week
3.11 must be averaged to determine an individual's staffing ratio; and

3.12 (ii) the commissioner, in consultation with service providers, shall develop a uniform
3.13 staffing ratio worksheet to be used to determine staffing ratios under this subdivision;

3.14 (2) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics
3.15 Minnesota-specific rates or rates derived by the commissioner as provided in subdivision
3.16 5;

3.17 (3) for a recipient requiring customization for deaf and hard-of-hearing language
3.18 accessibility under subdivision 12, add the customization rate provided in subdivision 12
3.19 to the result of clause (2). This is defined as the customized direct-care rate;

3.20 (4) multiply the number of day program direct staff hours and nursing hours by the
3.21 appropriate staff wage in subdivision 5, paragraph (a), or the customized direct-care rate;

3.22 (5) multiply the number of day direct staff hours by the product of the supervision span
3.23 of control ratio in subdivision 5, paragraph (d), clause (1), and the appropriate supervision
3.24 wage in subdivision 5, paragraph (a), clause (16);

3.25 (6) combine the results of clauses (4) and (5), and multiply the result by one plus the
3.26 employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (d), clause
3.27 (2). This is defined as the direct staffing rate;

3.28 (7) for program plan support, multiply the result of clause (6) by one plus the program
3.29 plan support ratio in subdivision 5, paragraph (d), clause (4);

3.30 (8) for employee-related expenses, multiply the result of clause (7) by one plus the
3.31 employee-related cost ratio in subdivision 5, paragraph (d), clause (3);

4.1 (9) for client programming and supports, multiply the result of clause (8) by one plus
4.2 the client programming and support ratio in subdivision 5, paragraph (d), clause (5);

4.3 (10) for program facility costs, add \$19.30 per week with consideration of staffing ratios
4.4 to meet individual needs;

4.5 (11) for adult day bath services, add \$7.01 per 15 minute unit;

4.6 (12) this is the subtotal rate;

4.7 (13) sum the standard general and administrative rate, the program-related expense ratio,
4.8 and the absence and utilization factor ratio;

4.9 (14) divide the result of clause (12) by one minus the result of clause (13). This is the
4.10 total payment amount;

4.11 (15) adjust the result of clause (14) by a factor to be determined by the commissioner
4.12 to adjust for regional differences in the cost of providing services. Beginning January 1,
4.13 2018, this clause shall only be applied if the adjustment for regional differences in the cost
4.14 of providing services causes an increase in the result in clause (14);

4.15 (16) for transportation provided as part of day training and habilitation for an individual
4.16 who does not require a lift, add:

4.17 (i) \$10.50 for a trip between zero and ten miles for a nonshared ride in a vehicle without
4.18 a lift, \$8.83 for a shared ride in a vehicle without a lift, and \$9.25 for a shared ride in a
4.19 vehicle with a lift;

4.20 (ii) \$15.75 for a trip between 11 and 20 miles for a nonshared ride in a vehicle without
4.21 a lift, \$10.58 for a shared ride in a vehicle without a lift, and \$11.88 for a shared ride in a
4.22 vehicle with a lift;

4.23 (iii) \$25.75 for a trip between 21 and 50 miles for a nonshared ride in a vehicle without
4.24 a lift, \$13.92 for a shared ride in a vehicle without a lift, and \$16.88 for a shared ride in a
4.25 vehicle with a lift; or

4.26 (iv) \$33.50 for a trip of 51 miles or more for a nonshared ride in a vehicle without a lift,
4.27 \$16.50 for a shared ride in a vehicle without a lift, and \$20.75 for a shared ride in a vehicle
4.28 with a lift;

4.29 (17) for transportation provided as part of day training and habilitation for an individual
4.30 who does require a lift, add:

4.31 (i) \$19.05 for a trip between zero and ten miles for a nonshared ride in a vehicle with a
4.32 lift, and \$15.05 for a shared ride in a vehicle with a lift;

5.1 (ii) \$32.16 for a trip between 11 and 20 miles for a nonshared ride in a vehicle with a
5.2 lift, and \$28.16 for a shared ride in a vehicle with a lift;

5.3 (iii) \$58.76 for a trip between 21 and 50 miles for a nonshared ride in a vehicle with a
5.4 lift, and \$58.76 for a shared ride in a vehicle with a lift; or

5.5 (iv) \$80.93 for a trip of 51 miles or more for a nonshared ride in a vehicle with a lift,
5.6 and \$80.93 for a shared ride in a vehicle with a lift.

5.7 Sec. 3. Minnesota Statutes 2016, section 256B.4914, subdivision 8, is amended to read:

5.8 Subd. 8. **Payments for unit-based services with programming.** Payments for unit-based
5.9 services with programming, including behavior programming, housing access coordination,
5.10 in-home family support, independent living skills training, hourly supported living services,
5.11 and supported employment provided to an individual outside of any day or residential service
5.12 plan must be calculated as follows, unless the services are authorized separately under
5.13 subdivision 6 or 7:

5.14 (1) determine the number of units of service to meet a recipient's needs;

5.15 (2) personnel hourly wage rate must be based on the 2009 Bureau of Labor Statistics
5.16 Minnesota-specific rates or rates derived by the commissioner as provided in subdivision
5.17 5;

5.18 (3) for a recipient requiring customization for deaf and hard-of-hearing language
5.19 accessibility under subdivision 12, add the customization rate provided in subdivision 12
5.20 to the result of clause (2). This is defined as the customized direct-care rate;

5.21 (4) multiply the number of direct staff hours by the appropriate staff wage in subdivision
5.22 5, paragraph (a), or the customized direct-care rate;

5.23 (5) multiply the number of direct staff hours by the product of the supervision span of
5.24 control ratio in subdivision 5, paragraph (e), clause (1), and the appropriate supervision
5.25 wage in subdivision 5, paragraph (a), clause (16);

5.26 (6) combine the results of clauses (4) and (5), and multiply the result by one plus the
5.27 employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (e), clause
5.28 (2). This is defined as the direct staffing rate;

5.29 (7) for program plan support, multiply the result of clause (6) by one plus the program
5.30 plan supports ratio in subdivision 5, paragraph (e), clause (4);

5.31 (8) for employee-related expenses, multiply the result of clause (7) by one plus the
5.32 employee-related cost ratio in subdivision 5, paragraph (e), clause (3);

6.1 (9) for client programming and supports, multiply the result of clause (8) by one plus
6.2 the client programming and supports ratio in subdivision 5, paragraph (e), clause (5);

6.3 (10) this is the subtotal rate;

6.4 (11) sum the standard general and administrative rate, the program-related expense ratio,
6.5 and the absence and utilization factor ratio;

6.6 (12) divide the result of clause (10) by one minus the result of clause (11). This is the
6.7 total payment amount; and

6.8 (13) for supported employment provided in a shared manner, divide the total payment
6.9 amount in clause (12) by the number of service recipients, not to exceed three. For
6.10 independent living skills training provided in a shared manner, divide the total payment
6.11 amount in clause (12) by the number of service recipients, not to exceed two; and

6.12 ~~(14) adjust the result of clause (13) by a factor to be determined by the commissioner~~
6.13 ~~to adjust for regional differences in the cost of providing services.~~

6.14 Sec. 4. Minnesota Statutes 2016, section 256B.4914, subdivision 9, is amended to read:

6.15 Subd. 9. **Payments for unit-based services without programming.** Payments for
6.16 unit-based services without programming, including night supervision, personal support,
6.17 respite, and companion care provided to an individual outside of any day or residential
6.18 service plan must be calculated as follows unless the services are authorized separately
6.19 under subdivision 6 or 7:

6.20 (1) for all services except respite, determine the number of units of service to meet a
6.21 recipient's needs;

6.22 (2) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics
6.23 Minnesota-specific rate or rates derived by the commissioner as provided in subdivision 5;

6.24 (3) for a recipient requiring customization for deaf and hard-of-hearing language
6.25 accessibility under subdivision 12, add the customization rate provided in subdivision 12
6.26 to the result of clause (2). This is defined as the customized direct care rate;

6.27 (4) multiply the number of direct staff hours by the appropriate staff wage in subdivision
6.28 5 or the customized direct care rate;

6.29 (5) multiply the number of direct staff hours by the product of the supervision span of
6.30 control ratio in subdivision 5, paragraph (f), clause (1), and the appropriate supervision
6.31 wage in subdivision 5, paragraph (a), clause (16);

7.1 (6) combine the results of clauses (4) and (5), and multiply the result by one plus the
7.2 employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (f), clause
7.3 (2). This is defined as the direct staffing rate;

7.4 (7) for program plan support, multiply the result of clause (6) by one plus the program
7.5 plan support ratio in subdivision 5, paragraph (f), clause (4);

7.6 (8) for employee-related expenses, multiply the result of clause (7) by one plus the
7.7 employee-related cost ratio in subdivision 5, paragraph (f), clause (3);

7.8 (9) for client programming and supports, multiply the result of clause (8) by one plus
7.9 the client programming and support ratio in subdivision 5, paragraph (f), clause (5);

7.10 (10) this is the subtotal rate;

7.11 (11) sum the standard general and administrative rate, the program-related expense ratio,
7.12 and the absence and utilization factor ratio;

7.13 (12) divide the result of clause (10) by one minus the result of clause (11). This is the
7.14 total payment amount;

7.15 (13) for respite services, determine the number of day units of service to meet an
7.16 individual's needs;

7.17 (14) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics
7.18 Minnesota-specific rate or rates derived by the commissioner as provided in subdivision 5;

7.19 (15) for a recipient requiring deaf and hard-of-hearing customization under subdivision
7.20 12, add the customization rate provided in subdivision 12 to the result of clause (14). This
7.21 is defined as the customized direct care rate;

7.22 (16) multiply the number of direct staff hours by the appropriate staff wage in subdivision
7.23 5, paragraph (a);

7.24 (17) multiply the number of direct staff hours by the product of the supervisory span of
7.25 control ratio in subdivision 5, paragraph (g), clause (1), and the appropriate supervision
7.26 wage in subdivision 5, paragraph (a), clause (16);

7.27 (18) combine the results of clauses (16) and (17), and multiply the result by one plus
7.28 the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (g),
7.29 clause (2). This is defined as the direct staffing rate;

7.30 (19) for employee-related expenses, multiply the result of clause (18) by one plus the
7.31 employee-related cost ratio in subdivision 5, paragraph (g), clause (3);

8.1 (20) this is the subtotal rate;

8.2 (21) sum the standard general and administrative rate, the program-related expense ratio,
8.3 and the absence and utilization factor ratio; and

8.4 (22) divide the result of clause (20) by one minus the result of clause (21). This is the
8.5 total payment amount; ~~and~~.

8.6 ~~(23) adjust the result of clauses (12) and (22) by a factor to be determined by the~~
8.7 ~~commissioner to adjust for regional differences in the cost of providing services.~~