

**SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION**

S.F. No. 1247

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DATE	D-PG	OFFICIAL STATUS
02/14/2019	389	Introduction and first reading Referred to Human Services Reform Finance and Policy

1.1 A bill for an act

1.2 relating to human services; requiring the commissioner to study new payment

1.3 models under the disability waiver rate system; requiring a report; amending

1.4 Minnesota Statutes 2018, section 256B.4914, subdivision 10.

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

1.6 Section 1. Minnesota Statutes 2018, section 256B.4914, subdivision 10, is amended to

1.7 read:

1.8 Subd. 10. **Updating payment values and additional information.** (a) From January

1.9 1, 2014, through December 31, 2017, the commissioner shall develop and implement uniform

1.10 procedures to refine terms and adjust values used to calculate payment rates in this section.

1.11 (b) No later than July 1, 2014, the commissioner shall, within available resources, begin

1.12 to conduct research and gather data and information from existing state systems or other

1.13 outside sources on the following items:

1.14 (1) differences in the underlying cost to provide services and care across the state; and

1.15 (2) mileage, vehicle type, lift requirements, incidents of individual and shared rides, and

1.16 units of transportation for all day services, which must be collected from providers using

1.17 the rate management worksheet and entered into the rates management system; and

1.18 (3) the distinct underlying costs for services provided by a license holder under sections

1.19 245D.05, 245D.06, 245D.07, 245D.071, 245D.081, and 245D.09, and for services provided

1.20 by a license holder certified under section 245D.33.

1.21 (c) Beginning January 1, 2014, through December 31, 2018, using a statistically valid

1.22 set of rates management system data, the commissioner, in consultation with stakeholders,

2.1 shall analyze for each service the average difference in the rate on December 31, 2013, and
2.2 the framework rate at the individual, provider, lead agency, and state levels. The
2.3 commissioner shall issue semiannual reports to the stakeholders on the difference in rates
2.4 by service and by county during the banding period under section 256B.4913, subdivision
2.5 4a. The commissioner shall issue the first report by October 1, 2014, and the final report
2.6 shall be issued by December 31, 2018.

2.7 (d) No later than July 1, 2014, the commissioner, in consultation with stakeholders, shall
2.8 begin the review and evaluation of the following values already in subdivisions 6 to 9, or
2.9 issues that impact all services, including, but not limited to:

2.10 (1) values for transportation rates;

2.11 (2) values for services where monitoring technology replaces staff time;

2.12 (3) values for indirect services;

2.13 (4) values for nursing;

2.14 (5) values for the facility use rate in day services, and the weightings used in the day
2.15 service ratios and adjustments to those weightings;

2.16 (6) values for workers' compensation as part of employee-related expenses;

2.17 (7) values for unemployment insurance as part of employee-related expenses;

2.18 (8) any changes in state or federal law with a direct impact on the underlying cost of
2.19 providing home and community-based services; and

2.20 (9) outcome measures, determined by the commissioner, for home and community-based
2.21 services rates determined under this section.

2.22 (e) The commissioner shall report to the chairs and the ranking minority members of
2.23 the legislative committees and divisions with jurisdiction over health and human services
2.24 policy and finance with the information and data gathered under paragraphs (b) to (d) on
2.25 the following dates:

2.26 (1) January 15, 2015, with preliminary results and data;

2.27 (2) January 15, 2016, with a status implementation update, and additional data and
2.28 summary information;

2.29 (3) January 15, 2017, with the full report; and

2.30 (4) January 15, 2020, with another full report, and a full report once every four years
2.31 thereafter.

3.1 (f) The commissioner shall implement a regional adjustment factor to all rate calculations
3.2 in subdivisions 6 to 9, effective no later than January 1, 2015. Beginning July 1, 2017, the
3.3 commissioner shall renew analysis and implement changes to the regional adjustment factors
3.4 when adjustments required under subdivision 5, paragraph (h), occur. Prior to
3.5 implementation, the commissioner shall consult with stakeholders on the methodology to
3.6 calculate the adjustment.

3.7 (g) The commissioner shall provide a public notice via LISTSERV in October of each
3.8 year beginning October 1, 2014, containing information detailing legislatively approved
3.9 changes in:

3.10 (1) calculation values including derived wage rates and related employee and
3.11 administrative factors;

3.12 (2) service utilization;

3.13 (3) county and tribal allocation changes; and

3.14 (4) information on adjustments made to calculation values and the timing of those
3.15 adjustments.

3.16 The information in this notice must be effective January 1 of the following year.

3.17 (h) When the available shared staffing hours in a residential setting are insufficient to
3.18 meet the needs of an individual who enrolled in residential services after January 1, 2014,
3.19 or insufficient to meet the needs of an individual with a service agreement adjustment
3.20 described in section 256B.4913, subdivision 4a, paragraph (f), then individual staffing hours
3.21 shall be used.

3.22 (i) The commissioner shall study the underlying cost of absence and utilization for day
3.23 services. Based on the commissioner's evaluation of the data collected under this paragraph,
3.24 the commissioner shall make recommendations to the legislature by January 15, 2018, for
3.25 changes, if any, to the absence and utilization factor ratio component value for day services.

3.26 (j) Beginning July 1, 2017, the commissioner shall collect transportation and trip
3.27 information for all day services through the rates management system.

3.28 (k) The commissioner, in consultation with stakeholders, shall study value-based models
3.29 and outcome-based payment strategies for fee-for-service home and community-based
3.30 services and report to the legislative committees with jurisdiction over the disability waiver
3.31 rate system by October 1, 2020, with recommended strategies to improve the quality,
3.32 efficiency, and effectiveness of services.

4.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.