

Waiver Reimagine Individual Budget Methodology

The 2017 Minnesota Legislature required the commissioner to “study and develop an individual budgeting model for disability waiver recipients and those accessing services through consumer-directed community supports”, and to “submit recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over these programs by December 15, 2018.” (Laws of Minnesota 2017, First Special Session, Chapter 6, Article 18, section 2).

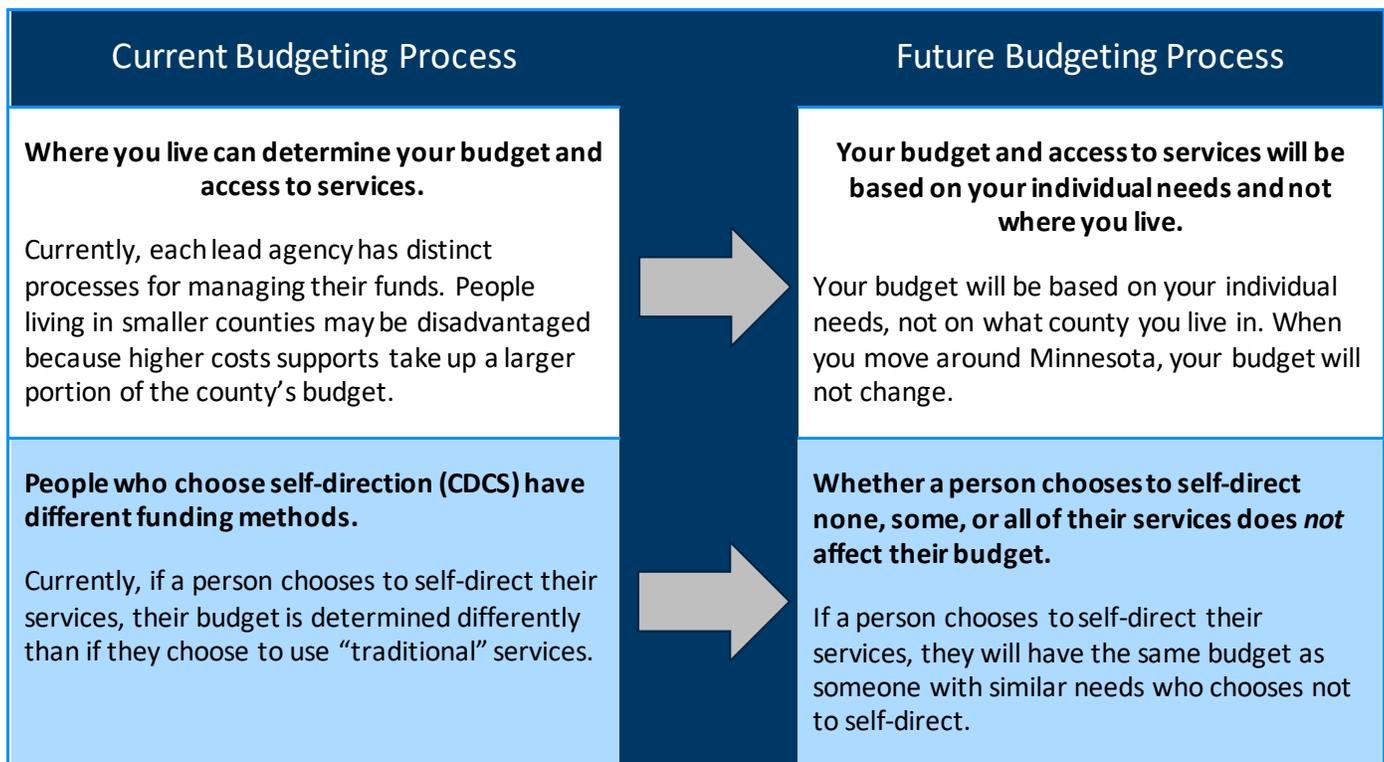
DHS has worked with stakeholders since 2017 to develop an Individual Budget Methodology, submit a proposal to the legislature in 2018 and, with the Governor, is now seeking to implement the proposed model. This document outlines the following information related to the Waiver Reimagine individual budget recommendations in the Governor’s budget:

- How the recommended budget changes compare to current practice;
- The process for how the proposed individual budgets were determined; and
- High-level statistics of how the individual budgets compare to current spending

Individual Budgets compared to Current Budget Processes

The following table illustrates how the proposed budgeting process will differ from current practice.

Current budgeting process	Future budgeting process
<p>87+ budgeting methods across Minnesota</p> <p>Currently, each lead agency (county and tribal nation) has a different budget within which they manage all waiver costs. People’s funding is subjective; determined by processes that differ within and across counties.</p>	<p>One budgeting method</p> <p>Each person will access funds using the same equitable and transparent budget methodology. Instead of managing administrative processes and spending, lead agencies can focus on helping the person build their services and supports.</p>
<p>The amount of funds and services available may not be accessible to you prior to your support plan.</p> <p>It is challenging to access to clear and transparent information on the services and level of supports available.</p>	<p>Your budget will be known and accessible to you before you build your support plan.</p> <p>You can access what your budget is and the services available as you determine the supports that will best fit your needs, dreams, and goals in your life.</p>



Development of Individual Budgets

Over three years, DHS and stakeholders developed a budget methodology proposal for people using disability waiver services with intensive qualitative and quantitative research, including analyzing data from assessments, rates, and claims. DHS regularly received feedback and direction from people, lead agency staff, providers, and advocates. Below is a description of how the individual budgets were developed.

Step 1: Determine existing groupings of individuals based on data-including assessment, services, rates, and claims data.

- **Research Question:** Within the current population served, are there natural groupings of need?
- **Research Conducted:** Conducted analysis of descriptive statistics to find groupings of people throughout the data to determine age ranges and number of levels of need, or support ranges.
- **Outcome:** Adults have 7 support ranges; children's support ranges are based in three age groups: 0 to 5, 6 to 13, and 14 to 17.

Step 2: Analyze assessment data and create methodology for support ranges.

- **Research Question:** Given the groupings determined in step one, what compilation of assessment questions will assign the appropriate level of need or grouping?
- **Research Conducted:** Analyzed assessment data and created a methodology that takes the most assessment questions into account; conducted a file review of the method to confirm that people's needs were appropriately taken into consideration for the assignment of their groupings; and finalized the methodology for the individual budget range groupings.

- **Outcome:** A methodology was defined and confirmed based on the multiple research methods used. A person’s support range is based on their responses to questions about Activities of Daily Living (ADLs), Instrumental Activities of Daily Living (IADLs), health support needs, and behavioral support needs.

Step 3: Determine the budget by identifying services and rates to include in the budget.

- **Research Question:** What are the appropriate budget values for each support range?
- **Research Conducted:** The method for determining the total budget values for each support range included the following:
 - Determine the services commonly used by people within the support range, the volume of units, and the DWRS rate for each service.
 - Combine the services and rates together to determine the support range's total budget amount.
- **Outcome:** Each support range has different specific services and costs based on the services available on the waiver and where the individual being supported lives. The services and rate inputs were determined using current utilization data and legislative policy guidance: Employment First, Independent Living First & Self-Direction First.

Fiscal impact of individual budgets

Summary of Impact to People: This change will result in the majority of people having access to the same or higher levels of funding. This change will also be implemented with a budget exceptions process, which will mitigate adverse effects for people who have exceptional needs requiring a higher budget. Below are statistics on the proposed budgets compared to peoples’ current spending.

Table 1: Percent of adults whose future budget range is equal to or more than their current level of spending

	100% of current spending is under or at their proposed budget	90% of current spending is under or at their proposed budget
All adults	84%	89%
Residential	77%	84%
Independent	89%	87%

Table 2: Percent of children whose future budget range is equal to or more than their current level of spending

	100% of current spending is under or at their proposed budget	90% of current spending is under or at their proposed budget
Children (ages 0 to 5)	75%	80%
Children (ages 6 to 13)	85%	90%
Children (ages 14 to 17)	81%	89%

Statewide Spending Impact: While this change will match or exceed the majority of peoples’ current budgets, it is expected to slightly reduce the total statewide spending for the four disability waivers. This savings is primarily due to the implementation of greater fiscal controls as well as assumptions on the take-up of additional spending for some people who have increased budgets.