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TO: Members of the House Health and Human Services Finance Committee

FROM: Anne L. Henry, Minnesota Disability Law Center, Mid-Minnesota Legal Aid,
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RE: *Olmstead Plan*

DATE: January 22, 2015

The Minnesota Disability Law Center (MDLC), part of Mid-Minnesota Legal Aid, represents children and adults across Minnesota who have significant, often long-term, disabilities. Our clients include persons with physical disabilities, serious mental illnesses, brain injuries, and intellectual and developmental disabilities. On behalf of our clients, we have been involved in the development of Minnesota's *Olmstead* Plan by participating in the opportunities for public testimony, written comments and Subcabinet meetings.

We strongly support the development and implementation of an *Olmstead* Plan with measurable goals for improvements for persons with disabilities in health care, employment, integrated housing, transportation and long-term services and supports. We have specifically urged that the Department of Human Services (DHS) better align its policies and payments with our state's goals and commitment to promote self-determination, maximum independence and community inclusion for persons with disabilities consistent with the US Supreme Court's *Olmstead* decision.

We think there are many good examples of services and supports administered by DHS which are now assisting persons with disabilities to live and work in their communities consistent with the principles of the *Olmstead* decision. However, much remains to be done for many across our state who are living or spending their days in segregated settings. Investments are required to accomplish the needed improvements and changes. Just as our state provided transition funding for the down-sizing and closure of state institutions for persons with intellectual and developmental disabilities, funding adjustments are needed for providers to transition from current settings to serving more people in more integrated settings. Investment in these changes will enable more persons with disabilities to live and work more independently in their communities.

The following are some key changes we think are needed to better align DHS policies with our state's principles and goals for persons with disabilities:

1. **Remove Impoverishing Medical Assistance Eligibility Requirements for Persons with Disabilities and Seniors**

- a. **Increase the Medical Assistance (MA) income and spenddown limits now at 100% and 75% of the federal poverty level (FPL). Also increase the \$3,000 asset limit for persons with disabilities and seniors.**
See CCD MA Reform Chart
Persons with disabilities and seniors who need MA services because of their condition, have the lowest income and asset limits in our Medicaid program at 100% and 75% FPL compared to 133% FPL and a \$3000 asset limit compared to no limit on assets.
- b. **MA for Employed Persons with Disabilities (MA-EPD).**

MA-EPD is a work incentive program designed to allow persons with disabilities who earn income to benefit from their earnings by paying a monthly premium to qualify for MA rather than having to spenddown their income to 75% of FPL. It is a relatively small program for about 8,500 individuals out of 130,000 persons with disabilities eligible for MA. In 2011 as part of the final budget deficit resolution, premiums for MA-EPD were substantially increased. The increase, however, could not be implemented until 2014 under the Affordable Care Act (ACA). The premium increases were implemented in October 2014 and threaten the independence of persons with disabilities who have limited earnings. The 2011 premium increase should be repealed.

2. **Increase Integrated Employment and Earnings**

Given the demographic issues our aging state faces, improving employment supports for persons with disabilities is an opportunity our state cannot ignore. There is much untapped potential among this group which will not only improve the lives of these individuals but will provide needed workers for open jobs across our state. While there are several state agencies which administer programs or services related to employment, the following are recommendations for DHS employment related programs:

- a. **Change the payment structure for supported employment and job coach services under Minnesota's Home and Community-Based Services (HCBS) waiver programs.**
- b. **Improve the funding allowed for Consumer-Directed Community Supports (CDCS), an option under our HCBS waiver programs, so that individuals could access funding spent for them in licensed programs-- which can be costly and offer limited choices -- and instead make funds available for individualized integrated day and job supports.**

3. Increase Integrated Housing Opportunities by Changing GRH

DHS pays the housing costs for many persons with disabilities through the Group Residential Housing (GRH) program. People live in GRH-funded 4 bed group homes or larger settings. We know there are a significant number of persons who would like to live more independently in their own home or apartment with less than 24 hour services. In order to provide people these opportunities, our state GRH fund should be changed to provide a more flexible housing subsidy to individuals to use directly on the housing of their choice. By changing the GRH funding to provide housing subsidies to individuals, we think that more individuals with disabilities will be able to live more independently in their own homes and apartments rather than in larger congregate settings. Right now many have no choice but to take a spot in a large building. This can and should change.

4. Long-Term Services and Supports

a. HCBS Waiver Waiting Lists.

The home and community waiver programs have significant waiting lists of about 3,500 persons with intellectual and developmental disabilities and 1,400 individuals with physical disabilities or mental illnesses waiting for the Community Alternatives for Disabled Individuals (CADI) waiver.

Every year there is available HCBS waiver funding that goes unused in almost every county which reverts to the general fund, while the waiting list remains. DHS should better administer the available HCBS funds to meet the needs of more persons on waiting lists in our state by moving available money within the system and authorizing services when needed.

b. Community First Services and Supports (CFSS)

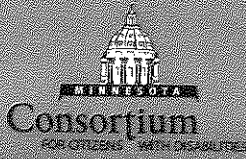
Minnesota's Personal Care Assistance (PCA) program will be transitioned to a new option called CFSS. Both the current PCA program and CFSS should be changed to allow persons with mental health conditions and intellectual or developmental disabilities to qualify for daily help to remain at home. These persons, who do not need physical assistance but need prompting and cueing to get through their essential daily activities, have no access to this type of assistance to remain as independent as possible at home.

c. Increase Self-Direction.

DHS should allow persons willing to take on all the responsibilities of Consumer-Directed Community Supports (CDCS) and their families to access the funding now paid on their behalf for traditional services.

There are numerous other specific issues and policies which would improve opportunities for persons with disabilities to increase their independence and community inclusion.

Thank you.



Medical Assistance Reform 2015

The Issue

Medical Assistance (MA) provides adults with disabilities and seniors access to MA services and supports that are necessary for living in the community. Current law holds people with disabilities to income and assets standards that force some to “spend-down” limited resources to keep the services they need for independence.

Why Reform Matters

If adults with disabilities and seniors make a dollar more than \$973/month, they must “spend-down” their income on waiver obligations to \$730/month and keep their assets below \$3,000, to qualify for and keep MA services and supports.

	Adult Group	Adults with Disabilities and Seniors
Current MA Income Limits	138% FPG or \$1,342/mo.*	100% FPG or \$973/mo.
Current MA Asset Limits	None	\$3,000
Excess Income Standard (the “spend-down”) for adults with disabilities and seniors is 75% FPG or \$730/mo.		

Supports Independence

- Requiring individuals to “spend-down” to \$730/mo. penalizes work, as most individuals with a “spend-down” have work history.
- Spending-down to \$730/mo. jeopardizes an individual’s ability to live in the community.
- Minnesota’s Olmstead Plan requires greater integration for individuals with disabilities with the goal of living independently in the community.

Increases Cost Effectiveness

- Accessing MA services and supports is critical to living independently instead of more costly institutional care.
- Elderly Waiver services save \$31,000/year, compared to the costs of institutional care, the DD Waiver saves \$12,700/year compared to the costs of institutional care.**

Stabilizes Services

- When individuals are unable to pay their monthly spend-down, providers do not receive full payment for services delivered.
- Providers are forced to discontinue necessary services and/or absorb unpaid costs, leading to financial challenges and limiting their ability to provide service to others.

The Reform

Raise the MA income and asset standards to reduce the “spend-down,” improving the quality of life for Minnesotans with disabilities.

Contact

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*138% includes a 5% income disregard

**Based on cost differences between average monthly spending by service type for FY 14-15; retrieved from DHS November 2013 Forecast

