

Subject Disability Waiver Rate System (DWRS)

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Overview

This bill makes various changes to the DWRS including removing the seventh year of banding (permission for which was recently denied by the federal Centers for Medicare and Medicaid Services (CMS)), defining “direct care staff,” modifying the frequency of the automatic inflationary adjustments under DWRS, adding a competitive workforce factor to DWRS, requiring providers to annually submit labor market data to the commissioner, and requiring the Department of Human Services (DHS) to annually publish a report on provider and state-level labor market data.

The DWRS was enacted by the legislature in 2013 in order to comply with federal requirements that medical assistance (MA) rates be determined according to a statewide methodology. Prior to the implementation of DWRS, counties contracted with providers and set reimbursement rates. DHS administers the DWRS.

Enactment of the DWRS created a statewide framework within which reimbursement rates for services provided under the MA home and community-based services (HCBS) disability waivers are established. One element of the DWRS framework is a periodic inflationary increase, which requires DHS to: (1) update the base wage index component of the DWRS framework using data from the Bureau of Labor Statistics; and (2) update certain other DWRS component values based on changes in the Consumer Price Index-All Items, United States city average. The first inflationary increase occurred on July 1, 2017.

Summary

Section	Description
1	Rate stabilization adjustment. Amends § 256B.4913, subd. 4a. Removes obsolete language and the seventh year of banding, which was not approved by the federal Centers for Medicare and Medicaid Services (CMS). Makes this section effective the day following final enactment.
2	Stakeholder consultation and county training. Amends § 256B.4913, subd. 5. Makes technical changes. Makes this section effective January 1, 2020.

Section	Description
3	<p>Definitions.</p> <p>Amends § 256B.4914, subd. 2. Adds definitions under the DWRS for “comparable occupations” and “direct care staff.”</p>
4	<p>Applicable services.</p> <p>Amends § 256B.4914, subd. 3. Modifies the services to which DWRS applies by alphabetizing the list and changing terminology from “behavioral programming” to “positive support services.”</p>
5	<p>Data collection for rate determination.</p> <p>Amends § 256B.4914, subd. 4. Makes technical conforming changes.</p>
6	<p>Base wage index and standard component values.</p> <p>Amends § 256B.4914, subd. 5. Modifies the automatic inflationary adjustments by changing the frequency from every five years to every two years beginning on July 1, 2022.</p> <p>Adds paragraph (k), which adds a competitive workforce factor of 8.35 percent effective July 1, 2019, or upon federal approval, whichever is later. Effective July 1, 2022, and every two years thereafter, requires the commissioner to update the competitive workforce factor. Specifies how lead agencies must implement the competitive workforce factor and adjustments to the factor.</p> <p>Makes the change in the frequency of the inflationary adjustments effective July 1, 2022, or upon federal approval, whichever is later. Makes the addition of the competitive workforce factor effective July 1, 2019, or upon federal approval, whichever is later. Requires the commissioner of human services to inform the revisor of statutes when federal approval is obtained.</p>
7	<p>Payments for residential support services.</p> <p>Amends § 256B.4914, subd. 6. Removes obsolete language related to banding and the implementation period. Makes this section effective January 1, 2020.</p>
8	<p>Updating payment values and additional information.</p> <p>Amends § 256B.4914, subd. 10. Removes obsolete language related to banding and adds direct care staff labor market measures to the list of items DHS must review and evaluate under the DWRS.</p>

Section	Description
9	<p>Reporting and analysis of cost data.</p> <p>Amends § 256B.4914, subd. 10a. Adds paragraph (f), which requires providers enrolled to provide services with rates determined under DWRS to submit labor market data to the commissioner annually beginning November 1, 2019.</p> <p>Adds paragraph (g), which requires the commissioner to publish annual reports on provider and state-level labor market data, beginning February 1, 2020.</p>
10	<p>Exceptions.</p> <p>Amends § 256B.4914, subd. 14. Removes obsolete language related to commissioner’s reporting requirements and banding. Makes this section effective January 1, 2020.</p>
11	<p>Revisor instruction.</p> <p>Instructs the revisor of statutes to renumber Minnesota Statutes, section 256B.4913, subd. 5 (stakeholder consultation and county training), as a subdivision in Minnesota Statutes, section 256B.4914, and to make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the renumbering. (This is a technical instruction to move the remaining language of section 256B.4913 into section 256B.4914 once the banding period is completed on December 31, 2019).</p>
12	<p>Repealer.</p> <p>Repeals Minnesota Statutes, section 256B.4913, subdivisions 4a (rate stabilization adjustment), 6 (implementation), and 7 (new services), effective January 1, 2020 (these subdivisions all become obsolete once the banding period is completed on December 31, 2019).</p>



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