

**Change Item Title: Quality Initiative: Waiver Provider Standards Phase II**

<b>Fiscal Impact (\$000s)</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
General Fund				
Expenditures	797	1,071	1,071	1,071
Revenues	0	0	0	0
<b>Net Fiscal Impact = (Expenditures – Revenues)</b>	<b>797</b>	<b>1,071</b>	<b>1,071</b>	<b>1,071</b>

**Recommendation:**

The Governor recommends implementing standards for home and community-based services (HCBS) waiver programs to meet federal compliance related to new 245D licensing standards for certain home and community-based service providers. Funding provides training and educational opportunities for providers and lead agencies. This educational effort will help providers understand how to conform to the updated standards to better ensure successful licensure. This proposal invests \$1.868 million in FY14-15 and invests \$2.142 million in FY16-17 and requires 7.0 FTEs to implement.

**Rationale/Background:**

In 2007, in reviewing the Community Alternative Care Waiver, the Centers for Medicare and Medicaid Services (CMS) found Minnesota’s practice of establishing and monitoring provider qualifications and service standards through the use of lead agency contracts between counties, tribes and providers to be out of compliance with federal law. DHS and CMS agreed to a corrective action plan with timelines to ensure implementation of consistent, statewide provider standards. The 2012 legislature acted to set standards for home and community-based waiver providers to be effective upon implementation of a provider fee.

**Proposal:**

Effective January 1, 2014, this proposal requires providers of home and community-based services waivers to obtain a license and pay a fee to provide service to waiver program participants. Approximately 1,600 providers will be impacted by this change. Modifications are made to Minnesota Statutes Chapter 245D to establish a consistent set of standards across HCBS waiver programs. Existing standards under Chapter 245B for providers of Developmental Disability Waiver services are repealed and moved under the jurisdiction of Chapter 245D.

Standards include requirements for providers to pass background checks, follow specific application procedures, and record management practices. The proposal adds standards regarding medication administration and the use of psychotropic medication. The adult foster care license for waiver services is changed to a community residential setting license, under the purview of 245D. The proposal also modifies existing 245D standards including service related rights, recipient rights, protection standards, and service planning and delivery.

This proposal includes funds for providers to have access to online training modules to assist in meeting new licensure requirements.

Additional funds are provided for two staff for state quality council activities to develop quality outcome indicators, monitor provider performance and capacity, and identify promising practices and priorities for improvement across home and community based services for people with disabilities and older adults.

**Performance Measures:**

Waiver Provider Standards will inform quality measurement of services provided to Minnesotans who use home and community based services. Future assessment data gathered through the MnCHOICES tool will provide information about a recipient’s satisfaction with their services and providers.

**Statutory Change:** M.S. § 256B.4912; M.S. § 245B; M.S. § 245D

# 2014-15 Biennial Budget

# Human Services

## DHS Fiscal Detail for Budget Tracking

Net Impact by Fund (000's)			FY 2014	FY 2015	FY 14-15	FY 2016	FY 2017	FY 16-17
General Fund			797	1,071	1,868	1,071	1,071	2,142
HCAF								
Total All Funds			797	1,071	1,868	1,071	1,071	2,142
Budget Detail	BACT#	Description	FY 2014	FY 2015	FY 14-15	FY 2016	FY 2017	FY 16-17
GF	14	CC Admin.	820	1,040	1,860	1,040	1,040	2,080
GF	11	Operations-SIRS	50	100	150	100	100	200
GF	13	HC Admin.	175	300	475	300	300	600
GF	53	Aging Grants	100	100	200	100	100	200
GF	Rev1	FFP @ 35%	(348)	(469)	(817)	(469)	(469)	(938)
Requested FTE's								
GF	11	Operations	.5	1	1	1	1	1
GF	13	HC Admin.	1.8	3	3	3	3	3
GF	14	CC Admin.	2	3	3	3	3	3