

Increase oversight of home and community-based services

Issues:

- The Legislature enacted comprehensive licensing standards for home and community-based services in 2012 and 2013. The standards combined services provided under federal Medicaid waivers and shifted responsibility for some licensing and maltreatment investigations from the counties to the state.
- The number and scope of licenses has grown since the new standards were established in 2014. The number of licensed providers has increased more than 30 percent, from 1,222 to 1,612. There are now 26 services, up from 19. These licensed providers now deliver services to more than 33,000 adults and children with disabilities in more than 4,000 licensed settings and in clients' homes.
- Current state funding and revenue-based fees don't provide enough resources for licensors to inspect providers at least once every three years, a requirement of Minnesota's federal Medicaid waiver plans. Right now, on-site reviews happen once every 4.8 years.

Proposal:

- A new fee structure will provide adequate funding for home and community-based licensing functions, including on-site reviews, more monitoring and technical assistance for providers.
- Adding 10 full-time staff will increase capacity for home and community-based services licensing work.
- Fees for license holders will be based on annual revenue from Medical Assistance, Minnesota's Medicaid program. The new model will be less regressive and better for smaller providers.
- Funding will maintain and improve the online application and provider dashboard, facilitating electronic review of documents, pre-licensing requirements, variance requests and licensing changes.

Benefits:

- Home and community-based service providers will receive licensing reviews once every three years. Minnesota will come into compliance with the federal Medicaid waiver.
- License holders with compliance issues, including those with conditional licenses, will receive more monitoring and technical assistance.
- Minnesotans who receive home and community-based services will benefit from improvements in the health, safety and quality of services.

Fiscal impact:

This proposal has no cost because of fees.

Related information:

- Revised Governor's Budget Recommendations for FY 2020-21, Pages 116 to 119:
<https://mn.gov/mmb-stat/documents/budget/2020-21-biennial-budget-books/governors-revised-march/human-services.pdf>
- Licensing for home and community-based services webpage:
<https://mn.gov/dhs/partners-and-providers/licensing/hcbs-245d/>

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