Disability Waiver Rate System modification: Incent recruitment, retention of direct care workforce

Issues:

- Qualified and available direct support professionals, those people directly providing care, are the cornerstone of home and community-based services that help people with disabilities live and work in their homes and communities.
- The direct support workforce is not keeping pace with the growing demand of an aging population and people with disabilities who need services and supports. Minnesota has about 135,000 people in direct support professions and will need an additional 68,000 in the coming years to meet service demands.
- The average wage paid to direct support professionals is significantly lower than the average wage of workers in competing occupations.

Proposal:

- This proposal will help the state of Minnesota address challenges in attracting and retaining qualified direct support professionals by increasing compensation for these workers.
- The Disability Waiver Rate System establishes rate formulas based on statewide costs for the four home and community-based disability waivers: Brain Injury, Community Alternative Care, Community Access for Disability Inclusion and Developmental Disabilities. These rate formulas ensure the state pays the appropriate value for the service and people have equal access to needed services throughout Minnesota.
- The proposal adds a competitive workforce component of 4.7 percent to service rate formulas, which would be dedicated to increasing direct support professionals’ compensation.
- To keep pace with economic changes, the proposal changes how often rate formulas are adjusted for inflation.

Benefits:

- Increased compensation for direct support professionals, thereby attracting and retaining more of these staff and expanding people’s access to these needed services and supports.
- Ensure rate formulas keep pace with changing labor and business costs by incorporating more frequent inflationary adjustments.
Fiscal impact:

- $40.8 million in FY 2020-21; $69.4 million in FY 2022-23

Related information:


DHS Communications: March 2019