



Review of Implementation Needs

Minnesota Waiver Reimagine Project
Study 2, Task 2.6





Prepared for:

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EXECUTIVE SUMMARY

HSRI is under contract with the Minnesota Department of Human Services (DHS), Disability Services Division (DSD) to complete two studies. The first will determine potential options for reconfiguring four Medicaid Home and Community Based Services (HCBS) waivers associated with people with disabilities. The second will determine a unified individual budgeting model for the proposed reconfiguration, both for individuals utilizing regular waiver services and those self-directing services through the Consumer-Directed Community Supports (CDCS) service.

Regarding Study 2, in coordination with developing an individual budget methodology, the project team is working to understand the implementation needs that are required to establish individual budgets. These implementation needs will be updated in the final report.

This paper pertains, to Study 2, Task 2.6 and includes information pertaining to implementation needs related to the budget methodology. What follows are preliminary implementation needs derived from review of information to date and meetings held with DHS and county staff.

Summary Findings

Planning for implementation is necessary to ensure that there is a smooth roll-out. The earlier this planning can begin the better. To be able to prepare the plan there are several tasks that DHS should engage in to both develop the implementation strategy and consider the timing of different aspects of the strategy.

There are four areas of consideration: Communications, Data, Policy and Procedure, and Systems. In each area, DHS will want to act deliberately and with foresight to ensure that the implementation plan is sound and will support service recipients to transition to the new budget framework that will be implemented.

Regarding communication, DHS is making much headway in considering its overall communication framework and plan. Work is currently underway to articulate the goals of the project and will in turn use those identified goals to determine how those goals are communicated to service recipients. DHS is also engaged in efforts to understand the prevailing attitudes about the system by engaging stakeholders throughout the state, including the conduct of focus groups. These actions will help DHS to improve its understanding of how this project might impact service recipients and what opportunities exist to improve their service experience. This information can then be used to develop a communication strategy or plan. In addition to these activities, DHS may consider supplementary activities, such as the gathering of a learning community to better plan for implementation.

Regarding policy and procedure, DHS has a robust set of policies developed over the course of implementing the CDCS case mix strategy, the Disability Waiver Rates System (DWRS), and the MnCHOICES assessment. Some of these policies may need to be adjusted to account for the introduction of the budget. As work gets underway, there may be a need to develop additional policies to support implementation of the framework.

Regarding data, DHS will need to consider how it collects personal information, assessment, and support need data. In some cases, new data collection may be necessary to support implementation of the budget framework. DHS will also need to consider how the individual budget is computed and how it can be used with other data. This may warrant changes to the MnCHOICES platform. Finally, DHS will need to consider overall management of data and how data can be used to ensure that DHS is prepared to implement, and to assess how implementation is going.

Regarding the system, DHS will need to determine when the optimal timing is for implementing the budget framework. Currently, there are several competing efforts that might impact the budget implementation, such as the possible waiver reconfiguration considered as part of study 1, the DWRS phase-in, and the transition from the current MnCHOICES tool to MnCHOICES 2.0. Each effort can significantly impact the implementation planned for this work. DHS will also want to narrow in on the right strategy for how the budgets are implemented, whether all at once, or through a cohort or phased approach. To implement this framework, there will likely be a shift in the current roles that many individuals who are involved in the system occupy and may even require DHS to consider adding new positions to support the implementation and long-term management of budgets. There are likely many legislative and legal hurdles that need to be understood and addressed prior to implementation. Finally, DHS should begin planning for how it will implement the budget implementation as it is occurring and in the long run.

The introduction of a budget into an existing system will require a heavy lift from DHS and may involve changes that are impossible to currently foresee. DHS is well poised to consider review the changes that the budget will impose, and the work required to support implementation.

FINDINGS

DHS is currently completing work to develop and later implement a budget methodology. DHS has articulated its commitment to achieving six fundamental outcomes related to the people it serves; these are known as “CHOICE” outcomes:

- Community membership
- Health, wellness and safety
- Own place to live
- Important long-term relationships
- Control over supports
- Employment earning and stable income¹

DHS is currently engaged in initiatives that span the CHOICE outcomes in recognition that people with disabilities want control over their lives and to live their lives in the community, just like everyone else. In self-directed systems, individual service recipients have considerable authority over what supports they receive, how they are received, and from whom. Fundamental to self-direction is the budget that each individual is allocated to secure needed services.

Policymakers are increasingly seeking to offer resources in a way that embeds opportunity for self-direction. Minnesota is also seeking to promote “**control over supports**” and to promote a system that is consistent with the guiding principles of self-determination.²

The Centers for Medicare and Medicaid Services (CMS) offer several options for **establishing budgets including “a prospectively-determined amount of funds that the state makes available for the provision of waiver services to a participant.”³** Implicit in

Principles of Self-Determination:

1. Individuals have the freedom to plan their own lives.
2. Individuals have **authority or control** over one’s own life, including **control over resources**.
3. Individuals have access to the support they need and opportunity for increased community integration.
4. Individuals take on the responsibility of living in interdependent communities.
5. Confirmation of the important role that self-advocates must play in a newly redesigned system.

www.self-determination.com

6.

¹ Minnesota Department of Human Services, Disability Services Division (2017). *Biennial Report on Long Term Services and Supports for People with Disabilities*. Minneapolis, MN: MDHS.

² Nerney, T. & Shumway, D. (1996). *Beyond managed care: Self-determination for people with disabilities* (1st ed.) Concord, NH: Self Determination Project, Institute on Disability; University of New Hampshire.

³ Centers for Medicare and Medicaid Services (2008). *Application for a § 1915(c) home and community-based waiver CMS instrument for reviewing HCBS waiver applications*

this definition are two key concepts: the state determines the budget amount for each individual, and that information is provided to the participant prospectively—that is, the individual is told what amount is allocated before developing a service plan rather than at the time of the plan or after.

Prior to implementing individual budgets, states must have developed appropriate infrastructure to support the practice. This begins with a formal and standardized means to assess personal support needs, includes development of aligned service planning protocols, implementation of reasonable reimbursement rates for providers, and updates to quality assurance practices that align with the system. Once the foundation is laid, a self-directed plan that maximizes the use of available funds to advance the personal goals and preferences of the person with disabilities can be achieved.

DHS is currently working to implement individual budgets, based on an assessment, which can be known before the planning meeting so that the individual is aware of the budget available to plan for needed supports and services. This is also known as an assessment-informed prospective budget. Even though this work is currently in development, DHS will want to begin considering its unique implementation needs. Reviewing implementation needs and developing a sound implementation strategy early in this process will help to ensure that Minnesota is well poised to smoothly implement the new budget framework.

Introducing a budget methodology where one has not been previously imposed presents numerous challenges and opportunities for Minnesota DHS and for Minnesotans who rely on support services. The magnitude of this change cannot be understated. Currently, there are prospective budgets in place in Minnesota, though these are applied only when individuals select the Consumer Directed Community Supports (CDCS) option. Overall, only about 11 percent of service recipients choose the CDCS option. While this percent is not insignificant, individuals who opt-in to CDCS still have the opportunity to discontinue use of CDCS if they are unhappy with the budget allotment or if they no longer want the responsibility of managing the budget. With this new endeavor, Minnesota is looking to apply a budget across the entire population of individuals served among four waivers: Brain Injury (BI), Community Alternative Care (CAC), Community Access for Disability Inclusion (CADI), and Development Disabilities (DD).

This change means that individuals will no longer have the ability to opt out of using the budget to obtain their support services. It also means that all individuals will now be offered a prospective budget that they can use more proactively to make choices about their services. For the vast majority of service recipients, this will be the first time they have seen their budget, and for many the first time they have been asked about how best to apply available funds to meet their needs and wants.

While the basic premise of assessment-informed prospective budgeting is seemingly simple, implementing such a change requires a substantial system-wide effort. First

**instructions: Technical guide and review criteria resource attachments (page 298).
Bethesda, MD: Disabled and Elderly Health Programs Group, CMS.**

the specific methodology for determining the budget must be decided upon. Second, individuals must be made aware of the budget and must have ample information to make decisions regarding how to use their budget. Finally, the impacts of the implementing this methodology must be well understood and accounted for.

For more than a decade we have worked with numerous states to implement budget frameworks and have learned that each state is unique in its capacity and readiness to implement a budget methodology. We have also learned there are unifying threads among all efforts that can be built upon to bring about a healthy implementation. Implementation often brings into focus issues related to communications, policy and procedure, data, and systems. When these areas are not adequately understood or addressed prior to the implementation of individual budgets, it can lead to miscommunication, underdeveloped processes, stakeholder distrust, and can dramatically delay the implementation process. For these reasons, planning for implementation must be diligently undertaken and must begin well in advance of when prospective budgets are set to roll-out.

While preparations can begin even now for implementation, some aspects are so particular to a given jurisdiction's unique circumstances they cannot be outlined until further in the process. Below we outline a series of tasks which, due our extensive experience in other jurisdictions, we know are universally necessary when implementing a new prospective budget methodology. The completion of these discrete tasks are informed by more general considerations which must be weighed and deliberated by DHS. For more information on the under arching considerations please see the considerations section of this report. The discussion of implementation considerations undertaken within this report are only an initial introduction to aid DHS in beginning to open a dialogue regarding implementation needs and plans. The findings presented within this report will also be revisited in a later project task and within the final report for this project.

Communication

Communication is the backbone of any systemic change. It conveys the intentions of the state regarding the planned change and prepares individuals who are in the system to enact, or be ready for, the proposed, but not yet implemented, changes. When done early, often, and well, communication enables the state to forecast potential obstacles to implementation and to make mid-course corrections to the implementation plan when needed. Regarding communication, we propose four distinct tasks related to:

- Goals and Message
- Prevailing Attitudes
- Communication Strategy/Plan
- Supplementary Activities

Goals and Message

The purpose of this task is to clearly articulate why DHS is engaging in this effort, what the intentions are, the expectations for outcomes, and how service recipients will be impacted by the introduction of an assessment informed prospective budget. Many individuals and state staff have long been intimately involved with the support system. They may remember many past initiatives and may have wide-ranging opinions about the support system. For this effort to be accepted, it is essential to affirm *why* DHS is engaging in this effort and *what* is driving this engagement.

Throughout the project to date, DHS has discussed at length its reasons for pursuing the budget methodology. It is important, however, that DHS leadership explore this topic further to reaffirm how this specific effort is tied to, and a meaningful interpretation of, that larger vision.

DHS has elected to name this engagement the **“Waiver Reimage Project”** as a means of framing the work as a whole. DHS has publicly stated that the project:

“seeks to identify and recommend system-level **improvements to Minnesota’s disability waiver programs.**”

The Waiver Reimagine project will identify ways to improve system structures to give people more choice and control over the services they receive.”⁴

DHS has also articulated that **“the goals of the Waiver Reimagine project are:**

- Equal access and benefits across disability waiver programs. The **programs will be responsive to a person’s** needs, circumstances and preferences

Communication Questions

- What is the overarching mission and vision for the Department?
- How does this initiative—introduction of a budget methodology—relate explicitly to that larger vision and mission?
- What are the goals of implementation?
- What specific outcomes are expected?
- What is current stakeholder opinion regarding the system/DHS?
- What is the overall communication strategy/plan?
- Where can various stakeholders go to get information about the initiative, including the public?
- What are the existing avenues for communication? Are they effective?
- How will various groups be educated about the change including:
 - Internal Staff
 - County Staff
 - Case Managers
 - Families
 - People with Disabilities
- How will all key players offer a consistent message?
- What is optimal timing of various communication efforts?
- How will any missteps be corrected?

⁴ <https://mn.gov/dhs/partners-and-providers/news-initiatives-reports-workgroups/long-term-services-and-supports/waiver-reimagine/>

- Align benefits across waiver programs for people with disabilities, including consistent limits and allowable services
- Flexible and predictable benefit changes that recognize life changes and an increased use of technology
- Simplified administration that make waivers easier to understand for people receiving services, county and tribal administrators and service providers.”

DHS is currently working toward developing a unified message to encapsulate what the project, in whole, is striving towards. In addition to this work, DHS will likely want to detail the explicit outcomes that are expected of the Waiver Reimagine Project. For example, DHS may want to explicitly state that it expects the introduction of the budget methodology to result in changes to the planning protocol that promote increased self-determination and choice and may even consider articulating precise objectives related to these expectations. For example, DHS may expect that in the first year of implementation 60% of the individuals served will be able to generally **describe what their “budget” is. The more detailed the expectations, the more likely** that DHS can measure and show progress towards those objectives. Furthermore, with clear expectations DHS can adjust the implementation strategy to achieve those aims as they move closer to the implementation date.

Prevailing Attitudes

The purpose of this task is monitor what relevant stakeholders are saying or sharing about DHS and what the prevailing opinions are. This information is needed to understand how new information might be conveyed and can assist with correcting erroneous (and potentially negative) messages being shared regarding the Waiver Reimagine Project.

Through the work of study 1, DHS is engaging in expansive interviews and focus groups with stakeholders who will be impacted by the proposed changes. The findings of this task will help to shape the work ahead and to frame how it is presented in an understandable manner to people receiving services. DHS will gain better perspective into how service recipients experience services and how they interact with the service system. Wide-ranging opinions and insights are being shared through the focus group forum that may shed light on the many facets of the work that need to be considered as part of implementation. Similarly, DHS is conducting its own stakeholder engagement sessions to speak with a range of stakeholders to both provide information about the project, answer questions stakeholders have about the work, and get feedback about what stakeholders think would best facilitate the project. Both of these engagements are invaluable to developing the communications plan and planning for implementation as a whole.

In coordination with the task above, DHS should conduct a media review. Such a review would entail searching for and reviewing local media reports online and on social media (i.e., print and broadcast) from at least the past year pertinent to DHS. Compiling such information will help DHS to understand the nature of the coverage,

the portrayal of DHS and its efforts, and the prevailing messages regarding the system. This review should also be ongoing as media coverage and public comment regarding the Waiver Reimagine Project is likely to increase as efforts speed up.

This review along with the articulated vision, goals, and expectation can feed into a communication plan. The lessons learned can help shape the implementation and communication plan, and the words of stakeholders can help to balance project messaging so that it speaks to both individual and system-level needs.

Communication Strategy/Plan

The next communications task will be to further develop the articulated vision, expectations, and objectives, and how they are manifested. DHS will likely want to develop a detailed communication plan.

In this plan, DHS will want to consider what information needs to be conveyed and to whom, how products are distributed, the content of the products, and the timed dissemination of different communication components.

Key players, including all individuals who will be enacting this change and affected by this change, will need to understand generally what the project is about as the project is beginning. They will need avenues to help them to anticipate what is likely to happen as a result of the project, and how it will affect them and/or the people that they support. As the project progresses, key players will need to know how their roles have changed, how specific processes have changed, how they resolve problems associated with the introduction of a budget methodology, and where they go for additional support.

First, products must be developed that are consistent with the overall narrative DHS seeks to convey regarding the individual budgets. These products might provide information about the projects goals, driving principles, and operational plans and activities. States vary in how they approach the development of a communications plan. At a minimum, DHS may want to consider whether the project will have a standard aesthetic look (format, color scheme, templates) that is used for all materials produced (website design, brochures, fact sheets, articles, memos, social media pictures) pertaining to the Waiver Reimagine Project. If DHS elects to use this standard aesthetic, it should be used consistently for all products related to the project no matter if the information is being presented by DHS itself, or presented on behalf of DHS by some other entity, such as a county or stakeholder group.

Minnesota maintains a diverse state population with many races, ethnicities, cultures, and tribes. DHS will want to ensure that materials are culturally competent, simple to understand, and available in multiple languages and formats. Information and materials should be presented in the most succinct manner possible. DHS will need to consider ease of comprehension and make sure that resources are intuitive and easy to navigate, particularly materials which have multimedia or multimodal components.

Since so many key players are instrumental to the success of this project it is imperative to consider not only what information is shared, but who needs what information. At a minimum:

- People with disabilities need information to understand how their services are going to be changing and the new opportunities that arise once the budget methodology is implemented (e.g., individuals might use an integrated planning calendar⁵).
- Families and other caregivers will need information about how to support people with disabilities to make decisions about their budget and to understand how they can best use their budget to supplement any existing support structures.
- Providers will need to be aware of any changes in the amount of funding that they will receive and will need to be able to gauge the impact on their businesses related to any reduction or increase in individual funding.
- County staff, including assessors and case managers, will need specific protocols and policies to implement the budget methodology with fidelity. They will need intensive training, as well as means to have questions and concerns clarified. Some states have offered training to walk through case examples and have even provided staffed call-in lines to address questions about the implementation.
- DHS staff will need to share consistent messages about the budget methodology and will need to have in depth information about the implementation plan and the budget framework overall to share with people seeking information.

DHS will need to consider the best means for distribution of information. DHS has designed a webpage that is unique to the Waiver Reimagine Project⁶. Currently this webpage is intended to relay information and to allow all interested parties to contact the state with any questions or comments regarding the proposed changes. It will be **important to keep this page “live” with relevant information as the project progresses**. Ideally, this will serve as the venue for stakeholders to get information about the project first. It is important, however, to also account for and consider any limitations that may exist among stakeholders regarding technological access and fluency.

DHS also has a means to send bulletins about selected items to subscribed users⁷, as well as a Facebook page and other social media pages. Each venue for material distribution should present essentially the same material, at the same time, and in the same manner to optimally reach the widest possible extent of stakeholders. One exception is the training related to implementation. Since this information will be very targeted, it should be developed solely for a specific audience and should offer **in-depth information relevant to a person's role in the system**. For these trainings DHS

⁵ www.integratedsupports.org

⁶ <https://mn.gov/dhs/partners-and-providers/news-initiatives-reports-workgroups/long-term-services-and-supports/waiver-reimagine/>

⁷ http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=Bulletins_2018

offers trainlink⁸ as one option and could also provide additional opportunities such as in person trainings or meetings.

The timing of the messages conveyed is **another important component of DHS's** communication strategy. DHS can and should prepare a timeline of topics complimenting key project milestones and key points of interaction with stakeholders. This should align with the phases of implementation as a means of keeping stakeholders informed of project activities under the guiding framework determined by DHS. These products need not be limited to information only, thematic stories can be interwoven into different products to show examples of implementation or data can be included to explain why the project is necessary.

The content of materials is as important in the first interactions with stakeholders as it is when the project is implemented, which is why planful messaging is so important. What is said in the beginning of the project sets the tone, while what is said during implementation guides the direct actions of stakeholders. Early on, less information may be tolerable and even desirable, but as the project nears implementation explicit instructions become necessary. The plan must be flexible to adapt to lessons learned through implementation and should be revisited and key junctures.

Once the communication plan is developed, DHS will have a map of how to best directly engage with stakeholders, provide them with needed information, gather their input, answer questions, or hear from those affected by the proposed changes in a way that moves methodically toward the end goal of successful implementation.

Opportunities to solicit stakeholder perspective or to deliver projects messages are present any time stakeholders are engaging with the system. As word about the project spreads, County officials and Case Managers will be expected to answer questions about the project and they will seek information from DHS. Getting in front of the message will help all parties to better prepare for implementation.

Supplementary Activities

In addition to the detailed communication plan, DHS may consider supplementary communication activities. Several states choose to form learning communities or advisory committees to inform stakeholders about the project and to illicit additional feedback on the project. Engaging in supplementary activities can help DHS to test out messaging and ideas about implementation on a small scale and make necessary adjustments before bringing them to the general public. This sounding board can help **to frame thinking and ensure that DHS's plans are reasonable and practical.**

A learning community or community of practice⁹ is a group (or groups) of people who come together to share information and experiences and learn from one another in ways to promote and advance **DHS's** intentions regarding the changes to come

⁸ http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=Training

⁹ Wenger, E. (1998). *Communities of practice: learning, meaning, and identity*. Etienne Wenger, Cambridge University Press.

through the Waiver Reimagine Project. People throughout the system will be working to internalize new ways of thinking about support before implementation even begins, all while learning to negotiate new processes for administering or using funding. An advisory committee may be a more formal mechanism to meet the same end.

Toward this end, DHS will need to identify who should compose such a group, the purpose of the group, and evaluate the limitations of the groups influence. The group(s) should include people with wide ranging roles at all levels, including people with disabilities through DHS staff. Since DHS has been working with a stakeholder group to share information and conduct activities related to both studies 1 and 2, this group may be an ideal choice for additional communication activities.

Policy and Procedure

Clear policies and Procedures help all key players to act consistently and in accordance with the intended implementation plan. DHS has had an assessment in place for years and therefore, has developed robust policies for the assessment. DHS has also developed detailed procedures and protocols for using CDCS budgets which provide a starting place when thinking about the policy and procedures needs related to this endeavor. While DHS has many pertinent policies in place, changes are likely warranted to existing policies and several new policies and procedures will most certainly need to be developed.

The development of these policies and procedures must take into account the overall intentions of the project, the key players, and the implementation plan. In some regards, DHS is removed from the on-the-ground operations of executing the implementation plan and may have difficulty seeing exactly how policies need to be developed and refined to support the work of individuals who will actually be carrying out these policies and procedures. For these reasons, DHS may need to reach out to specific stakeholders to gain input into how each policy will be enacted.

In regard to policy and procedures we propose work on the following five tasks:

- Assessment
- Budgets
- Grievance and Appeals
- Roles and Responsibilities
- Data Collection

Policy Questions

- What new policies are required to ensure integrity of the assessment and/or budget?
- What is the timeline that key players are expected to follow?
- What notifications are necessary?
- What will be included in the budget?
- What budgetary constraints will be imposed?
- How are changes managed initially and overtime?
- How do individuals request exceptions or file grievances?
- How will information be managed and tracked?
- How will the roles and responsibilities of key players change?

Assessment

In the area of assessment, DHS has in place robust policies and procedures that may require only minimal adjustments. For example, DHS has in place policies pertaining to the timing of assessments.¹⁰ DHS requires that individuals are assessed when they enter services and there are strict timeframes for when these assessments must be completed. DHS further requires that these assessments be completed within 60 days of the end of the plan year. The regularity of assessments and timing of assessments are important considerations as they impact the ability of DHS and key players to implement budgets on time. Typically states impose a timeframe that allows the individual to receive adequate notification of their budget prior to their meeting to allow for consideration of the options and to request any exceptional funding prior to when the funding is authorized. Some states choose to schedule the assessment as early as six months before the planning meeting to offer ample time.

DHS has established the regularity of the assessment by indicating that the assessment must occur on at least an annual basis, though the process for administering the second assessment is different than the process for administering the first (e.g., the assessment may include a review of previously recorded information).¹¹ DHS may want to review these policies to ensure that they are still applicable in accordance with the assessment and budget timeline.

Some policies may bear more weight with the introduction of a budget methodology since the assessment serves as the basis for the budget. Completion of the assessment is critical to implementing the framework. For this reason, states may also choose to implement policies for how many attempts must be made to schedule the assessment and what happens when assessors are not able to schedule assessment to ensure that the individual can receive their budget on time. DHS may also need to consider what happens when individuals refuse to participate in the assessment and may need to develop policies related to refusals. In most states, receiving funding is contingent upon participation in the assessment. If an individual chooses not to participate in the assessment, they forgo the right to receive funding. Further, DHS will need to consider how to respond when an individual does not have an assessment but requires a budget. This can occur when someone is entering the system for the first time and requires emergency services, or when **someone's plan changes before the budget is issued**. To account for these individuals, states sometimes issue an interim budget for a specified timeframe that is reviewed and updated when the individual completes their assessment.

DHS has also detailed allowable reasons for individuals to request a new assessment including changes in conditions such as:

¹⁰ http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=dhs-291132#

¹¹ Information on MnCHOICES, if not otherwise referenced, is from personal communication via project meetings on January 25, 2018 and February 27, 2018 with staff from Minnesota DHS, MnCHOICES training, or gained from review of the MnCHOICES assessment instrument and data.

- Emerging need or risk
- Major health event
- Worsening health condition
- **Current services and/or supports don't meet the person's needs¹²**

Since the budgets will be designed to meet each person's needs as determined by the assessment, the final point indicating that individuals should request a new assessment when their current services do not meet their needs may prove cumbersome if individuals interpret that they should request a new assessment because they are unhappy with the budget they receive. Using the assessment as a means to request new services that fall outside of the budget may incentivize overstating need on the assessment to procure desired services. Encouraging individuals to request additional services through the assessment process, therefore, may place unnecessary additional weight on the assessment since the budget methodology is intended to work for most, but not all service recipients. It is well known that **no assessment can capture all of the unique features of a person's life that** require support and using the assessment process to allow individuals to secure additional services may impact the integrity of assessment itself. DHS may wish to handle requests for additional services through exceptions policies (see below).

Further it is unclear how individuals and others from their support network go about requesting a new assessment, who can request the new assessment, and the specific protocols regarding when a requested reassessment takes place. Since the assessment will be tied to a budget, changes in the assessment may need to be recorded and communicated to individuals, and protocols for communicating these changes may need to be adopted. For example, if **a reassessment changes the individual's budget** is the individual immediately notified or is there a window of time before the next plan is due when the individual will be required to use their existing budget?

One additional area where a policy may need to be developed concerning the collection of information outside of the assessment is the process of identifying and confirming the existence of extraordinary needs not captured in the assessment. Since the methodology is currently under development it is unknown whether additional information will need to be collected for this purpose. The MnCHOICES assessment is fairly comprehensive and this may circumvent the need for collecting additional information or engaging in any addition process to confirm extraordinary needs. If such information or a new process is needed, DHS will need to develop policies and procedures to ensure that this is consistently applied, and additional data is accurately captured and reported to DHS.

Budgets

As with the assessment, there are many decisions that will set the essential parameters for the budget itself. Since DHS has implemented budgets via CDCS case mixes for years, it already has considerable experience in developing these policies

¹² http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=dhs-291132#

and a deep understanding of how policies might impact the final budget. For example, in the CDCS budget methodology there is no policy directive to account differently for needs and support available for adults and children, even though there may be meaningful differences in the budget they require.

In this regard the first policy decisions that may need to be considered about the budget pertains to who gets what budgets. Many states have elected to group individuals for the purposes of developing budgets. These groupings may be divided by living setting (e.g., residential vs. nonresidential since these have meaningful service use and cost differences), or age group since individuals have access to different services and supports by age. Often these age indicators at a minimum divide by child and adult, with some states choosing a more nuanced defining mechanism such as including graduation status for individuals from the ages of 18-21 who may still qualify for education services, but who may not still be in school. States may also choose to use other defining features for the budget such as separating out geographic regions that have higher rates. Once these divisions are determined, they will need to be defined in policy or procedure so that it is clear what service recipients fall into what categories.

Another potential policy decision regards the degree with which individuals must adhere to the budget. In the CDCS budgets, the amount that is authorized is a hard limit,¹³ meaning that individuals cannot spend in excess of the total budget amount. They require approval to authorize funding in excess of the limit. In some states the budget is merely a guideline or starting place, and individuals are allowed to request all the services that they need. The budget may then later be reviewed to ensure that the individual does require funding above what is prescribed in the budget. In some states these are treated as exceptional requests, and in others they are not. DHS will need to decide whether to impose a strict budget guideline or whether it will allow for flexibility in the budget. If the budget is being used as a ceiling or if additional actions are required to request funding in excess of the budget, these policies will need to be articulated.

Another way to impart flexibility in the budget is to offer service recipients a budget range. In this way the budget becomes malleable and able to bend somewhat to account for the variance of rates in services (since rates account for individual specific factors such as geography and staffing ratios). For instance, the budget could be set at \$25,000 but within a satisfactory range of plus or minus \$5,000. Alternatively, the budget might be set at \$25,000 based on the median budget with the bounds of the range set at 5% above and below the median.

In many states, the budget is not developed to pay for every service and is only intended to be used for some services. There are many reasons for this. For example, a state may choose to exclude specific services if they cannot be adjusted. For example, some states choose to set the residential budget outside of the non-residential budget. **This is done to limit the individuals' ability to spend needed**

¹³ http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=dhs-295593#

residential funding on other services thereby depleting their residential fund. States may also opt to exclude services from the budget when the state wants to encourage greater use of the service. States sometimes choose to pull employment services out of the budget, so that individuals can use as much of the service as they need so as not to obstruct the ability to gain and maintain a job. Other types of funding that may be excluded from the budget are one-time purchases like home modifications or assistive technology. Since these are only needed by some service recipients, it makes little sense to offer an amount to each individual. CDCS, for example, allows for additional funds to cover home modifications in excess of \$5,000. As a result, the budget usually only covers a restricted range of services—that is the budget accounts for some, but not all of what individuals are likely to use. All service recipients will need to be clear of what is and is not covered within the budget and whether there are additional processes to acquire services that are not included in the budget.

Since a change in budget may have significant impacts on individuals, states sometimes make efforts to help ease the transition from one budget to another. DHS will need to consider whether to phase-in budgets—offer a mechanism for current individual budgets to align with the budget methodology overtime—or whether individuals will need to transition to the new budget immediately. Many states opt to phase-in budgets, and in our review of budget methodologies used in other states¹⁴ most used some phase-in approach. This phase-in always considers the previous budget and applies decision criteria to inform what the current budget will be. For instance, **if someone’s previous years budget was more than 120% of the target budget**, the state would allow that person to spend 5% more than the median. There are variations in how phase-ins are applied.

One of the greatest benefits of electing to use phased-in budgets is the ability to offer individuals a means to adjust to the budget. This provides for a period where they can continue to use their existing budget or a portion of their existing budget, while they adapt their service use to align with their new budget. There are also negative aspects to using a phase-in approach. Administratively, phasing in can be cumbersome to manage as individuals will be in various phases of implementation at any given time. Since previous spending is accounted for a set duration of time, individuals seemingly in the same funding level will have slightly differing budgets.

If the implementation does involve phase-ins additional policy decisions will be required to determine how to compute the previous years budget, how to annualize costs when there is less than a year of claims data available for an individual, and how to apply the phase-ins in a manner that is equitable and administratively feasible. The final method selected can be complicated and will need to be precisely detailed to allow for consistent computation. Furthermore, because the phase-in methodology may be complicated, it is best if such budgets can be computed by a single entity for uniform application across the state. If this approach is selected DHS may build from

¹⁴ Petner-Arrey, J.; Kidney, C.; Kardell, Y.; & Agosta J. (2018). *Analysis of budget methodologies and research into other state activities*. Prepared for the Minnesota Department of Human Services.

lessons learned from the phase-in plan developed for the Disability Waiver Rate-Setting (DWRS) framework.

Once the method of assigning budgets is determined, DHS should consider how service recipients will be notified of their budget. DHS will likely want to have detailed policy guidelines for when an individual is informed of their budget, how an individual is made aware of the budget, and the precise notice that is distributed. DHS will want to ensure that notice is issued in compliance with due process requirements and that individuals have ample time to consider the budget, weigh the various service options, and request additional funds if needed.

Individuals budgets may also change for reasons unrelated to the assessment. For example, when a child become an adult and is no longer receiving school services, they may require a change to their budget to support the costs of day services. Additionally, a budget may need to be adjusted due to errant or incorrect data entry. If, for instance, an individual is listed as living in the wrong setting, and this mistake is not realized until the budget is issued, there must be a means to correct the mistake and offer the right budget. DHS will need to have a mechanism to both track the budgets and adjust them in real time to account for these changes. Policies specific to issues related to updating or correcting budgets will therefore also be necessary.

Another area of policy consideration centers on what to do when an individual requires additional support outside of the budget. DHS has broad experience enacting exceptions policies. Exceptions are offered both for rates¹⁵ and for the CDCS budgets, for specific reasons such as a need to acquire more employment services.¹⁶ In preparation for the implementation of this new prospective budgeting framework, DHS should prepare a robust exceptions policy. This policy will need to clearly delineate who can ask for an exception, how they ask for an exception, who performs the exceptional review, the duration of a granted exception, and how decisions are made in the exceptional review process. Specific details regarding the documentation to be used to inform the decision, how individuals are notified of exceptional review decisions, and the timeline for performing each part of the exceptional review process, are also needed. DHS will need to determine what exactly may be offered through the exceptional review process. Many states choose to only allow an individual to ask for additional services, or specific additional hours of service, through the exceptions process instead of allowing for an exception to the level assigned, when a level-based budget methodology is used. Streamlining the exceptions process can allow for timely and consistent responses to needs that are not accommodated within the budget.

There may be a need to develop specific committees to perform tasks associated with the budget. For example, if a committee is used to review exceptions requests, then policies or procedures will need to be developed to support the work of that body. Policies may include instructions as to who composes the committee, timelines related to the committee's work, how specific decisions should be made and

¹⁵ <https://mn.gov/dhs/partners-and-providers/news-initiatives-reports-workgroups/long-term-services-and-supports/disability-waiver-rates-system/exceptions-faq.jsp#10>

¹⁶ http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=dhs-295593#

documented, and how communication regarding those decisions is share with service recipients.

Finally, DHS will need to consider how it provides information to individuals concerning their budgets. Does DHS, for example, intend to notify individuals regularly of their budgets as it does for individuals who use CDCS,¹⁷ or will DHS only provide this information in relation to the planning meeting?

Grievance and Appeals

Since the budget is a best fit model, individuals will need to have a clear course of action when they disagree with the assessment, the budget, or any other part of the methodology. DHS will want to ensure that grievance and appeal procedures are clear and accessible, and that they align with legal requirements when relevant.

Roles and Responsibilities

The implementation of the budget framework will involve changes in the roles and responsibilities of many key players in the system. For example, Case Managers will bear the responsibility of understanding the individual budget, how it works, how it can be used, and are responsible for assisting the individual to formulate their plans using this new budget. They are expected to support individuals to make choices consistent with the goals and desires. Ideally, Case Managers will be acting in a uniform manner to support individuals to use their budgets. Procedures that structure their work, promote uniformity in the case management function. Further, certain groups may be targeted for intensive training on these procedures (see communication for more information).

Data Collection

While it is best to collect data whenever possible in a unified streamlined way, it is often not possible. For many of these newly developed activities there may be no existing means to collect data. Until a process can be streamlined, DHS may expect that counties will collect certain data elements. For example, DHS may want counties to record service denials and report this information to the state. When a unified data collection method **isn't possible, the state should clarify in policy what specific data elements need to be collected and should provide a template for collecting the data to promote uniformity to the extent possible.** DHS should also ask that data be collected as promptly as possible as data collected in real-time, rather than after the fact, is less susceptible to data integrity issues.

¹⁷ http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=CDCS_02

Data

Data is key to implementation of a budget methodology. Data is necessary to determine the budget, to determine any unique characteristics of the budget, to track changes to the budget, and to allow for accurate use of the budget. Data is also used to assess the initial and ongoing impacts of implementing the budget methodology.

DHS has put significant time and energy into developing the MnCHOICES platform as its means to learn about service recipient's needs and to help plan for needed services.¹⁸ The MnCHOICES platform has brought together several disparate processes into a singular efficient solution that has significant potential for expansion as a data collection tool. MnCHOICES not only allows assessors to complete assessments, but is also used to complete the planning process, and to evaluate the quality of services. Development of this platform is ongoing and continually **customized to DHS's specifications**. DHS has articulated a strong vision for using MnCHOICES as a learning instrument for service recipients and to help them exercise their self-determination. Related to data, DHS should consider the following four tasks.

- Personal Information
- Assessment and Support Needs
- Individual Budget
- General Data Management

Capturing the right data at the right time can enhance implementation of the budget methodology while minimizing this effort can create roadblocks to implementation.

Personal Information

Currently DHS collects a wealth of personal information through the MnCHOICES assessment process. The final budget assignments will likely rely, at least in small part, on certain personal demographic fields of information derived from the assessment process. For example, date of birth is collected in the assessment. If the budgets are different for children and adults, date of birth can be used to infer who is

Data Questions

- What data is needed to inform the individual budget? How is this data captured?
- What additional data elements are needed and how can they be captured?
- How can DHS ensure that data captured are reliable, valid, and accurate?
- What effort is required to enact the budget methodology?
- What data is needed to assess the impacts of the budget at the individual and system-wide level?
- Are any data elements required in real time?

¹⁸ <https://edocs.dhs.state.mn.us/lfserver/Public/DHS-6477-ENG>

a child and who is an adult. For these reasons, DHS will need to continue to collect this personal information. In most states, the following elements are required to assign an individual budget:

- A personal identifier to ensure that a budget is matched to the correct service recipient;
- Living setting, since it is often a predictor of cost;
- Age, since budgets typically differ for adults and children;
- An indicator of whether an individual is still in school or not, since children in school typically receive fewer day service units;
- Previous years budget if phase-ins will be utilized;
- Assessment scores;
- Indicators of support needed, for example a support level if a level-based methodology is used;
- Exceptions to the budget if they are used to determine future budgets;
- Exceptional needs determinations if these are used to determine the budget;

These elements and how they are collected vary from state to state. MnCHOICES allows for the collection of a range of data but does not currently adequately capture living setting or whether the individual is still in school. While living setting is a field that is captured in MnCHOICES, the field as currently devised will likely need to be reconfigured to account for what is needed to assign an individual budget. Once the range of living settings relevant for budget determinations are finalized, this information will either need to be collected in MnCHOICES or inferred from claims data on an ongoing basis. As living settings change, MnCHOICES will need to be updated to reflect these changes so that an individual will be assigned the correct budget or receive an amended budget in accordance with relevant changes.

Furthermore, there is not currently a way to capture information related to whether the individual is in school and when the individual is expected to graduate or receive a certificate of completion. A new way to collect this information should be considered.

Assessment and Support Needs

DHS captures all assessment information through the MnCHOICES platform. The assessment will be directly linked to the budget and, along with other personal information, is the key driver in determining how much funds a person receives. The assessment and protocol for administration may warrant changes to accurately collect this data.

First, assessment data must be reliably collected and valid for the purposes of assigning a budget. To demonstrate validity and reliability, the assessment typically undergoes several forms of testing. Compared to other assessments in use MnCHOICES has strong face validity and seems to measure the support need construct, covering much of the same ground as other assessment. MnCHOICES has

not yet, however, had formal testing. Currently DHS is working to test the reliability of the assessment in MnCHOICES 2.0. This testing will determine whether MnCHOICES 2.0 measures the same construct as the current assessment and whether different assessors reach the same conclusions within the assessment, or that the assessment shows strong reliability.

Next the assessment items may warrant changes. To be used for budgetary purposes, it is important that a score can be derived. A consistent set of questions and response options support the scoring of the assessment. This is especially true in the sections that are likely to be used in the budget methodology—the activities of daily living (ADLs), instrumental activities of daily living (IADLs), health, and psychosocial domains. Currently, in the ADL and IADL domains there are only a few questions that are asked similarly across all items, limiting the available items that can be used to derive a sum score. As DHS completes work on MnCHOICES 2.0, it may be useful to consider how to offer uniformity in the questions and response patterns, so that more items can be summed.

Third, the administration of the assessment should be similar across all assessors. DHS currently provides training in the Trainlink platform¹⁹ in a three-step training program that is required of certified MnCHOICES assessors. The training, however, does not provide information about how different items in the assessment are scored or how assessors should make judgements (e.g., whether the individual is capable of self-directing). Training is often added by counties to help guide the decision-making process of assessors and varies in duration from days to a month-long training.²⁰ Each county has a different protocol for who administers which assessments (e.g., initial vs reassessments), the roles of assessors, and the protocols that they follow (e.g., scheduling the assessment, entering assessment data). DHS coordinates with county assessors to routinely discuss assessment practices with a group of mentor assessors. **These discussions then inform the practices of each county's assessment team.** Activities of assessors, as much as is possible, need to be consistent across assessors and across counties. A consistent training protocol can promote this uniformity and can be developed using the guidance of mentor assessors.

Sometimes it is necessary to collect additional information pertaining to support needs or to engage in a process outside of the assessment to confirm the presence of certain needs that are not easily documented within the assessment itself. Some states use a process to flag individuals who might have these needs and to confirm that needs documented in the assessment require additional or extraordinary staff support. Currently, there is no plan to collect additional information, but as the methodology is developed, we may determine that collection of additional data is necessary. If this is the case, DHS will need to consider what means exist to collect this data.

¹⁹ http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=Training

²⁰ Information referencing counties, if not otherwise referenced, is from personal communication via project meetings on February 27, 2018 and with staff from the Counties.

Assessments must be conducted on a regular basis and prior to individual planning meetings (see policy for additional information). Counties in Minnesota report varying capacity to keep up with current assessment loads. For individuals to receive budget information in time for their planning meetings, it may be necessary to either increase assessor capacity or to simplify the assessment so that it can be more efficiently administered. DHS is currently considering reducing the items that are included in the assessment as part of its move towards MnCHOICES 2.0.

As mentioned elsewhere, it may be necessary to score specific sections of the assessment or the assessment as a whole. The MnCHOICES assessment is not currently scored. Scoring the assessment will involve either an added process for assessors who may be required to score the instrument, an algorithm applied on the MnCHOICES platform, or both. If assessors are expected to score the instrument, DHS will need to provide guidance on how to compute the score. Ideally, scoring will be streamline so as to ensure uniform computation. The MnCHOICES platform may provide useful in this endeavor.

In addition to assessment data, DHS should plan to collect data pertaining to requests for exceptions to the budget, including:

- When a request is made
- What specifically is requested (e.g., additional funding, an added service)
- Why the request is made
- The result of the request, including any documentation the informed the decision
- How much additional funding is required
- What additional documents, if any, are collected
- The duration of the additional funding or service
- When the request expires

With this data DHS will be better equipped to assess the impact of the budgets and whether any changes are required. This data should be collected in real-time to ensure accuracy, facilitate a timely response, and allow for the collection of supporting documents.

Minnesota currently has the MnCHOICES platform that is used to collect assessment and other data. DHS has opportunity to expand this platform for other purposes or to collect additional data if needed. Since MnCHOICES 2.0 is currently in development the collection of any additional data may also be explored.

Individual Budget

Minnesota will need to have a means to both calculate the budget and to share the budget with the service recipients for whom it is intended. DHS requires a budget calculation for CDCS users, using a case mix methodology. The actual calculations are performed by each lead agency, though it is unclear as to how notice of the budget is

provided to the individual.²¹ The budget is then included as part of the CDCS support plan, and lead agencies evaluate the cost and potential effectiveness of the plan.²²

To calculate a budget, an algorithm will need to be applied. DHS will need to determine whether to compute this budget internally or whether lead agencies will continue to have this responsibility. If lead agencies are expected to continue to compute the budget, they will require training on how to perform the calculation, and DHS may want to provide quality oversight to ensure that the budgets are being calculated consistently. If DHS elects to assign the budget, DHS will need to have a means to calculate the budget. DHS will also need to consider how the person is notified of their budget and how those notifications are tracked. The actual budgets will need to be stored so that they can be easily retrieved if any problems arise. There is not currently a means to calculate the budget or store this data in the MnCHOICES platform. DHS may elect to use MnCHOICES or another platform for these purposes.

DHS will need to determine how individuals access and apply their budget. This information could all be available within the MnCHOICES platform, so that service recipients can access the platform, retrieve information about their budget, and use the platform to determine which, and how much, services are available to them. Obviously, such a solution would involve substantial adaptation of the MnCHOICES platform, or the development of a compatible forward-facing component for service recipients. If MnCHOICES will not be used for this purpose, DHS will need to determine how best to convey this information to service recipients.

States vary in how much information they choose to share with individual service recipients, but most states opt for a high degree of transparency, informing individuals of exactly how they were assigned their budget. Going forward, DHS will need to decide if it will continue to publish what information is used to generate the budget, as the current CDCS information is, or whether some alternate plan is desired. If individuals are made aware of how they are assigned a budget, additional considerations pertaining to how this information is communicated may be required.

General Data Management

As implementation is occurring DHS will want to be sure to capture other data in real time so that can be used to assess how well implementation is going, and to quickly address any issues that may arise. Since budgets will likely be implemented concurrently with several other planned system-wide changes (e.g., waiver reconfiguration, rates), it may be necessary to collect data that can be used to assess the impacts of each change. DHS will want to be able to assess how each individual is impacted by being assigned a budget. Assessing individual impacts might mean that DHS has to collect new data that was not previously collected. For example, DHS may need to collect the previous years authorization and budget, to quantify the difference

²¹ https://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=dhs-294528

²² https://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=DHS-296746

between the current and past budget. Collecting such information will allow DHS to enact a phase-in strategy if it desired and will allow DHS to ensure that proper notifications are issued when specific conditions warrant it.

DHS should consider rolling up this data to understand these issues across key demographics (e.g., age, previous waiver, county). Data may be pulled from multiple sources and DHS will need to consider how to merge together data pertaining to:

- Waiver that the person was previously served on, and is currently served on if reconfiguration efforts are underway
- Authorized budget by individual service recipient
- Final budgets, including any phase-ins
- Requests for exceptional support or funding
- Rates for services
- Other demographics, such as eligibility, ethnicity, race, gender, county, etc.

Collecting data such as these will ensure that as the budget methodology is implemented and after, DHS is positioned to assess the impacts at the individual and system level.

Systems

Introducing individual budgets involves a new way of managing and distributing resources, as well as a new lexicon used to describe the system and new ways of doing business. The system is fundamentally altered. New means to manage the system must be instituted. In regard to the system we discuss eight tasks that should be considered including:

- Context
- Readiness
- Management/Capacity
- Competing efforts
- Legislative/Legal Approval
- Centers for Medicare & Medicaid Services (CMS) approval
- Timing
- Evaluation

Considering the role of the system and the real changes taking place, allows DHS opportunity to plan for the different implementation events and to globally consider the optimal timing of each event.

Context

First DHS will need to have a deep understand of all of the contextual factors that touch upon implementation. There are certain elements that can only be known by

those individuals who are intimately familiar with and working in the system. While it is nearly impossible to predict all the potential changes required of the system for implementation, a careful review can help to sort out what changes are required. Fortunately, DHS has an energetic and committed staff who are intimately familiar with the system, service recipients, and who have a keen sense of the potential obstacles that may impede implementation. As one example, DHS is best positioned to understand the legislative context and the preparations required of DHS to coordinate effectively with the legislative body.

DHS will want to understand what changes need to be made as they related to certain key stakeholders including:

- People with disabilities
- The families of people with disabilities
- Providers
- Advocacy groups
- County Staff
- State staff
- Legislators and government staff

One way to ascertain any needed changes is to consider the role of each identified group and to walk through how the new system need to be structured to meet the needs of each group. Doing so, may help the state to consider necessary administrative changes also to mitigate any risks associated with the implementation particular to a specific group. This may involve talking with different groups of people or organizations who represent different groups of people to outline from start to finish what a desired experience would be in the new system.

DHS is already engaged with stakeholders to share information about the Waiver Reimagine project and to gain feedback about the project. This work is expected to continue for some time and might offer an opportunity to allow DHS staff to consider the expected experience of key players in the new system.

From this activity, DHS can identify which system functions should be altered, and can create a checklist of implementation tasks in addition to those identified here. DHS might learn for instance that Case Managers do not feel prepared for the implementation from simply written materials provided. As a result of finding this information, DHS might choose to make training mandatory and offer onsite training in addition to the web-based training. Completing this exercise can alert DHS to implementation needs that are not outlined here.

Readiness

After DHS assesses context from the perspectives of stakeholders, has developed a checklist of items that need to be addressed, and has started addressing some of these

items, it may begin assessing readiness for implementation. This will help to determine the date when implementation can begin and to work backward from that date to ensure that all tasks are complete. A readiness review will help to pinpoint what is done and what is left to be done prior to implementation.

In the completion of a readiness review, DHS should consider all of the tasks outlined in this report as well as the additional tasks added to the checklist in the previous activity and develop a comprehensive readiness assessment. For each item in the readiness assessment, DHS should judge what remains incomplete and note any additional tasks that are uncovered from the review. To conduct the readiness review, DHS will need to review policies, data capacity, training outcomes, and so forth. DHS may want to interview key players to determine whether they are prepared to act in accordance with the demands of the new system.

At the conclusion of the readiness review, DHS will be able to add items to the implementation plan, adjust it if necessary, and feel secure in moving toward implementation.

Management/Capacity

An individual budget framework may call for a shift in existing positions or the development of new positions. From its implementation of MnCHOICES, DHS likely understands that such a shift will require an evolution of the workforce. DHS has a MnCHOICES team that is devoted to managing the implementation and monitoring long-term practices related to the assessment. This team was likely established not only for initial implementation, but to ensure the integrity of the assessment practice, to develop new policies and practices as needed, and to implement any changes to the assessment protocol overtime. Related to the budgets framework, a dedicated person, or more likely team of people, will need to lead the initial adoption of the budget methodology, as well as the long-term monitoring of the framework. These need not be new positions, there are likely existing positions that can shift into this new role. This person, or group of people will need to be knowledgeable about the system and will need to have the authority to make decisions as they relate to the new framework.

Depending on which activities are managed by DHS and which are expected of other parties, counties for example new positions may need to be carved out. If, for instance, DHS will be managing the notification of the budget, then someone will need to monitor that assessments are complete and budgets are issued as plans become due, maintain the addresses of service recipients and/or guardians, maintain information about the language spoken, and send out the notification in time for the planning meeting. After completing some of the above tasks, DHS will be positioned to evaluate when new roles are needed, when existing roles can shift, and then determine who will fulfill each of the roles. Evaluating this early on, will ensure that DHS is able to fulfill the capacity needed to prior to implementation.

Competing Efforts

There are several efforts that are underway in the state of Minnesota that are taking place co-currently with this project. These competing efforts may potentially affect the outcomes of this project. They should therefore be considered within the implementation plan. There are at least three major projects that occurring simultaneously; a possible reconfiguration of the waivers, the implementation of the rates framework, and the changes being made to the MnCHOICES assessment and platform. Other competing efforts may also be taking place. For example, DHS is currently reviewing its case management structure, the decisions of which might involve changes to the implementation plan.

Changes to the current waiver strategy. Due to the work completed as part of Study 1 to review the possibility of reconfiguring the waiver and other efforts to unify the support system, we are working under an assumption that all service recipients can be served with a singular budget methodology. This methodology can accommodate a range from low to high support needs, regardless of which waiver service recipients use. As we engage in this work, we intend to complete and review several analyses to determine whether any meaningful differences exist that cannot be accounted for within the methodology. If at any time we conclude that a specific waiver cannot be included in the budget methodology, we will share this information with DHS. If we use a single budget methodology, this will align well with any reconfiguration efforts.

Implementation of the Disability Waiver Rate System Framework (DWRS). The current DWRS rates implementation is ongoing and not expected to be complete until 2021. Though we are not contributing to this work, the rate implementation may influence how the budget can be used. The service mix will be developed with the final, rather than banded rates. If DHS then chooses to implement budgets before the new rates are phased in, it may lead to additional disruption for service recipients due to the rates being calculated differently overtime. If DHS chooses to implement budgets while the DWRS rates are still being implemented, DHS should consider the impact of the rates on the budgets.

Changes in MnCHOICES 2.0. As discussed elsewhere, MnCHOICES is currently being revised. This revision involves significant changes to the assessment itself, including changes to the questions and response options. The budget methodology will be dependent on the items in the assessment and changes to the assessment will directly affect the budget methodology. We are proceeding in the development of a budget methodology based on the current MnCHOICES assessment, the methodology though will need to be updated to account for the changes in MnCHOICES 2.0. While we expect that many of the elements of the budget methodology will remain consistent across each of the assessments, the budget methodologies used for each assessment may result in different budget for individuals with disabilities. Ideally, every individual will use the same methodology for a budget, meaning that implementation will begin with either MnCHOICES 2.0 or the current assessment. If the budget methodology is implemented with the current data, it may increase the

likelihood of disruption as individuals transition from the current methodology to the methodology based on MnCHOICES 2.0 data.

With all these competing, DHS will need to consider the timing of implementation and how to minimize disruption to service recipients.

CMS Approval

As DHS is engaging in work to reconfigure the waivers and implement individual budgets, it can begin considering the next CMS waiver application. Based on the work done in study 2, task 2.2, we have found that states vary considerably in how they describe the budget in their CMS application. Some states include a great deal of detail like the specific algorithms that are applied, while others offer only a few in ambiguous sentences to describe the methodology within their CMS application. Of course, these requirements differ by the type of waiver that is sought and are likely dependent on any decisions made to alter the current waiver setup, since the requirements of what is reported, how it is reported, and how it is funded differ by funding authority²³. Regardless, DHS will need to prepare to complete the waiver application and to report the budget methodology to CMS. This work will need to occur prior to the budget being implemented and can lead to delays in implementation. The timing of this work is key.

Often states engage in several iterations of the application, with questions posed from CMS specific to the budget or related factors. If DHS continues to use a 1915(c) waiver there are specific requirements to report this information.²⁴ In particular, Appendix C-4 of the waiver application requires states to report limits that are employed within the program, including limits on sets of services, prospective individual budget amounts, budget limits by level of support, and other types of limits. According to **CMS, states are required to submit this information when “a state imposes a dollar limit on the amount of waiver services that may be authorized in a service plan over and above any limits on amount, duration and frequency that apply to individual waiver services” (p. 131).**²³

Legislative/Legal Approval

Within the implementation strategy, DHS should consider which elements of the budget require legislative and legal approval or oversight. DHS is required to submit a plan to the legislature shortly after the conclusion of this project that will seal the next steps of implementation. Many of the elements of the budget framework will eventually become legislative rule. As such DHS will want to consider timing for the

²³ Taylor, B.; Kardell, Y.; & Agosta, J. (2018). *Analysis of federal funding authorities and research into other state activities*. Prepared for the Minnesota Department of Human Services.

²⁴ Centers for Medicare and Medicaid Services. (2015). *Application for a 1915(c) Home and Community Based Waiver Instructions, Technical Guidance, and Review Criteria*. Retrieved from <https://www.medicaid.gov/medicaid-chip-program-information/bytopics/waivers/downloads/technical-guidance.pdf>

implementation based on when this information will be submitted to the legislature and when the new rules can be expected to be executed.

There are also many pieces of this framework that should undergo review by DHS's legal counsel. Discussing the entire framework with legal counsel can allow for a comprehensive valuation of when legal notice is required and the content of each notice. Afterwards, DHS will want to have its legal counsel review each of the documents that will be provided to service recipients to ensure that they pass muster. This point is particularly salient regarding individuals who will see a change in funding, and particularly in the cases where the change appears to be or is a reduction. For these individuals, DHS will want to ensure that it has provided enough information to enable the service recipient to challenge the budget and to request additional funding if necessary, but also to understand their grievance procedures.

Timing

DHS should map out each phase of implementation, accounting for competing efforts to develop an implementation timeline. As it progresses through each of the above tasks, DHS may consider the optimal date for implementation. For example, DHS may elect to implement the budget methodology after MnCHOICES 2.0 has been implemented and when all of the rates are phased in. Doing so might mean that individuals see fewer disruptions and changes to their budgets. This will obviously have to be balanced with other work of implementation such as gaining CMS and legislative approval. Once the implementation date is decided, DHS may map out all other necessary activities.

DHS can consider several implementation approaches. For one there can be a rolling implementation, that is certain groups, or cohorts, of individuals can be selected to be implemented first. Several states choose to use this approach. DHS, for example, could choose to roll out the implementation by:

- Age
- level of support needs
- phase-in status (prioritizing **individuals who won't be phased-in** or individuals who will)
- Existing service recipients
- New service recipients
- Living setting
- Geographical area
- Plan date

Minimally, states often choose to implement by the plan date, since it offers a naturally occurring mechanism to revisit the plan.

Some states also choose to use a pilot implementation. In this way, states have an opportunity to beta test implementation and explore how the full framework can be best applied. If DHS elects to do any sort of pilot, DHS will need to not only detail that pilot, but how that pilot will later connect to bringing all service recipients into the

budget framework. A pilot strategy might grant DHS opportunity to study the changes and impacts and make adjustments before a larger scale roll-out.

There are positive and negative aspects to each type of implementation, and the choice of implementation will set the tone for the timing of all implementation activities. For example, if a cohort approach is used, then DHS can target resources and direction towards individuals in that cohort first. It may also involve management of several cohorts, all at different phases of implementation, and may be difficult to apply lessons learned in one cohort to the next. The approach should be given careful consideration.

Evaluation

As part of the implementation plan, DHS should consider how it will evaluate the framework once implemented. The framework should be considered a best fit model—meaning that it will work for most people but cannot work for everyone all the time. For this reason, it is imperative that DHS test the effects of implementation both in real time and in the long term.

As the budget is being implemented DHS will want to measure select data points to determine how well the budgets are meeting needs. These can be detailed later, but as a starting point, DHS might consider the metrics offered.

Baseline total budget	Total budget at year one of implementation	Baseline individual budgets	Individual budgets at year one of implementation
Baseline service use	Service use at year one of implementation	Number of phase-ins	Number and reasons for exceptions and total funding
Additional service requests	Number of individuals who received budget prior to implementation	Qualitative perceptions of budget use by multiple stakeholders	Changes in perception of quality of services or supports

In the short term, many of these metrics can be measured in real time, month-to-month as the framework is being implemented. In the long term, DHS may want to collect finer grain detail for specific metrics, such as qualitative data gathered from asking service recipients about the self-directed aspects of the budget. Since MnCHOICES platform allows individuals to address the quality of the services that they receive at least once per year, DHS may be able to review this information and determine if there are any correlations to the implementation activities. For example,

do people who experience a reduction in their budget report the quality of their services any differently than individuals who see an increase in their budget.

DHS should start planning for evaluation as early as possible. This evaluation will take into account the goals of the project and will entail that DHS set a few measurable benchmarks related to those goals. If for example, a goal of the project is to increase self-determination by individuals having access to their budget prior to their planning meeting, then DHS could set a benchmark of 70% of individuals having their budget information within two months of their planning meeting. DHS could collect data on this and would be able to assess the number of individuals who met this specific criterion. If the evaluation plan is developed in advance of implementation, DHS can begin considering what data is important to collect, how the data can be collected, and how it will later be analyzed.



CONSIDERATIONS

Minnesota has been on an extended journey to develop an individual budget methodology. There are many elements that DHS has put into place that are conducive to the development of these budgets. DHS has:

- Established **principles and intentions** that are consistent with person-centered principles;
- Expanded the **services available** to offer a broad range of access to individuals across the four waivers;
- Established a **rates framework** through the Disability Waiver Rate System (DWRS) for agency-provided service; and

In this context, an individual budget methodology is being developed. In doing so, we will consider the following throughout the development of the budget methodology.

First, there are multiple initiatives that are occurring in the state of Minnesota simultaneously. Data is incredibly important to understanding how this initiative is unfolding. With many initiatives co-occurring, understanding the impact of the budget implementation may be more difficult. For example, if individuals are moving waivers and now getting a budget for the first time, it will be difficult to ascertain whether specific changes are occurring because of the move to a new waiver (with more restricted services potentially) than because the budget was introduced. These system-wide impacts will need to be well understood.

Timing may be the most essential element to consider within the implementation strategy. As the information presented here demonstrates, there are many activities that need to be completed prior to implementing budgets. **The works isn't straightforward**—there are policy decisions to be made at each juncture that will in turn inform how the remaining work is undertaken. Charting out the timing of all the moving parts will be an essential task to determine when the budget methodology can actually be implemented, and when each part of implementation comes into play.

Some items are clear and must be done, they serve as precursors to other tasks that might be completed. Other tasks are not contingent upon precursors and can occur at the states discretion. For example, CMS must approve the budget methodology prior to implementation, but DHS may use its discretion to determine when to build in self-directed components for service recipients such as training about how to use the budget. Both activities are important, though the timeline for one is fixed. In regard to these precursors, DHS needs to be sure to map out the required tasks and determine when non-required, but still important tasks, can and should be completed.

Since moving to a budget framework requires a heavy lift and many moving parts, it may be difficult to prioritize what should be done first. Every state implements a budget methodology in a different way. There is no clearly defined path that will work

for all states, and DHS will need to balance the pace of implementation with the work required to lay all of the necessary groundwork for implementation.

Timing can also be crucial towards the success of the project. If states delay implementation over a number of years, it may lead stakeholders to discredit the state's ability to implement the framework and lead to distrust over the framework. Conversely, when the framework is implemented too quickly stakeholders may not gain enough knowledge about the change to readily implement it. The timing of communication must be considered as well. Individuals need key information about the budget methodology in order to implement it, but this information must be conveyed when it is most useful—that is not too early and not too late.

Consistency is key. One of the primary reasons for implementing budgets is to promote fairness among service recipients. All key players should approach the budget in a consistent manner. This means that the assessment process should be consistent across all accessors, the means for notifying individuals of their budgets will need to be consistent across all counties, and the application of the budget will need to be consistent as much as is possible by case managers. Having clear and detailed policies can help to ensure that consistency is upheld to the extent possible.

Managing implementation is another significant consideration. As the budget methodology is implemented the roles of state staff and county staff will change significantly. In some cases, there will be new roles and in other cases previous responsibilities will shift. To account for these changing responsibilities, DHS will need to consider the role of counties and the role of the state in implementation and parcel out who is responsible for each piece of implementation.

Since this change is so momentous, DHS will want to consider how much change can be imposed at once, both how much is manageable to the state, and how much is manageable to service recipients. Choices about the amount of change that can occur at any given time, should help to state to discern how to go about dividing implementation in meaningful and relevant parts.

Implementing a budget methodology will directly impact every individual that is currently served in the system and that will be served into the future. A change of this magnitude will require disruption to the normal way of doing things and because of this is likely to be accompanied by some degree of risk, DHS will want to take efforts to mitigate the risk. This is done by developing a thorough and thoughtful implementation strategy, ensuring that minimum requirements are met, and evaluating implementation as it is occurring.

Finally, the effort needed to implement is significant. The more work DHS does to tease out how best to approach implementation, the better.

Next Steps

With the research conducted to date, including the information presented here, DHS can begin to strategize for implementation. The most immediate next steps are important to this endeavor.

Decide on individual budget approach with the Methodology Review Team (MRT). DHS will need to finalize the budget methodology so that it can better assess the potential implementation work required.



BACKGROUND AND APPROACH

Methods

The information contained in this report is largely derived from our understanding of **DHS's system derived from both meetings and policy** review. We also use experience of helping states to implement budgets for over a decade to outline the most important implementation needs.

In order to prepare this report, we gathered relevant people from our organization who have contributed to implementation efforts for this type of work in other jurisdictions. From this meeting we compiled a list of relevant aspects of the system that would need to be considered within implementation, and asked questions about each, like those included under each of the four sections above.

We used this list as a starting point for additional research. We reviewed this list and **conducted research on different aspects of Minnesota's system to determine the** extent to which each item currently exists and which revisions might need to be made. We compared information on the list to items we have discussed in meetings with DHS staff and county staff on several occasions, to policies accessible on the website, and to information that we have received from Minnesota related to this work. For example, we met with county officials on two separate occasions, which helped us to understand how important communication and training will be to prepare this group for the implementation of the framework.

We took notes on our list. While here we present more overview of the work that is required, we will continue to build upon those notes and will present updates to this work in the future tasks and as part of the final report.