Minnesota Long-Term Services and Supports (LTSS) Advisory Council
Additional Recommendations Information Sheet

Executive Summary

The Long-Term Services and Supports (LTSS) Advisory Council has developed additional ideas for LTSS cost savings in Minnesota to meet the legislatively mandated cost savings target amount.

The following is a list of the four additional recommendations. Further description and detail on each recommendation is provided in following sections and may be accessed directly by clicking on the recommendation idea:

- Implement an asset limit for Medical Assistance for Employed Persons with Disabilities (MA-EPD)
- Eliminate or reduce some Minnesota Department of Human Services (DHS) grant programs
- Repeal the new certified assessor team
- Increase Alternative Care (AC) program fees

Prior to voting in October 2026 to advance these recommendations to the Legislature, the LTSS Advisory Council is seeking public comment from people receiving services and community partners.

Background

The LTSS Advisory Council was created by the Minnesota Legislature (2025 1st Special Session, Chapter 9, Article 2, Section 58). Their charge is to provide cost saving recommendations in LTSS amounting to $177,542,000 for the 2028-2029 biennium to the Legislature by December 1, 2026. Under current law, if the LTSS Advisory Council cannot identify enough savings, the state will reduce spending starting July 1, 2027, by reducing disability waiver rates and requiring counties to share more of the cost of residential disability waiver services. Council membership is set by the Legislature and includes people receiving services, family members, advocates, providers, counties, and Tribal Nation representatives.

The LTSS Advisory Committee initially developed seven recommendations for cost savings that were shared with community partners in July 2026 through Town Hall meetings and a written comment period. The recommendations were:

- Eliminate CFSS Consultation Services
- Reinstate TEFRA Fees

- Require Participants Age 65 on the BI or CADI Waivers to Transition to EW
- Eliminate the Planned Closure Rate Adjustment (PCRA) Program
- Eliminate the Performance-Based Incentive Payment Program (PIPP)
- Cap the Allowable Health Insurance Costs for Nursing Facilities at $15,000 per Enrollee
- Increase Quality in Nursing Facility Care

Feedback on the impact of these recommendations was gathered through input at the Town Hall meetings as well as through an electronic written comment form.

These recommendations did not reach the cost savings target established by the Legislature, so the LTSS Advisory Council developed four new recommendations to address the gap in August 2026.

Public Comment Period Purpose

The LTSS Advisory Council is deliberating on the four new recommendations and will vote at their meeting on October 21, 2026 to determine if they will be advanced to the Legislature. Prior to the vote, the LTSS Advisory Council would like to hear from people served and community partners about the impact of the proposed additional recommendations. This information sheet provides details on what each recommendation means, what it would change, and what the estimated cost savings are, if available.

Written Comment Process

Community partners are invited to submit written comments using this online form to provide feedback on the additional recommendations. The form will be open from September 21, 2026 to October 2, 2026.

Additional Recommendation Descriptions

Implement an asset limit for Medical Assistance for Employed Persons with Disabilities (MA-EPD)

What is MA-EPD?

MA-EPD is a work incentive program to help people with disabilities who are working to continue to get Medical Assistance (MA) by paying a premium. Currently, there are no income or asset limits.

Eligibility requirements:

- Be certified disabled by either the Social Security Administration or the State Medical Review Team (SMRT)
- Be employed and have required taxes withheld or paid from earned income
- Have monthly earnings of more than $65 on average over a six-month period
- Pay a premium (American Indian or Alaska Natives are exempt from paying a premium)
- Pay an unearned income obligation, if required

What would the recommendations change?

The recommendation would implement an asset limit of either $90,000 or $200,000. A person's home, first vehicle, and retirement account would not count toward the asset limit. This means some people would have to spend down their assets to qualify for the program. The LTSS Advisory Council will determine which limit to include based on public comment and cost savings analysis.

What are the estimated cost savings?

The estimated cost savings for this recommendation are currently under analysis. Once completed, the estimate will be shared with the LTSS Advisory Council members for their October 21, 2026 voting on the recommendation.

Eliminate or reduce some Minnesota Department of Human Services (DHS) grant programs

What are grant programs?

DHS manages several grant and funding programs that are not required by the federal government. These programs operate alongside larger programs and services, such as Medical Assistance and Home and Community-Based Services (HCBS) waiver programs. The grant programs included in the recommendation are:

- Developmental Disabilities (DD) Semi-Independent Living Services (SILS) Grant
- Family Support Grant
- Lead-Agency Capacity Building
- Transitions to Community Grants
- Eldercare Development Partnership Aging Grants
- Customized Living Quality Improvement Grants
- Live Well at Home Grants

What would the recommendations change?

Reduce or eliminate the grants or grant programs, meaning current participants would need to find other services/means of meeting needs covered under the grant.

DD Semi-Independent Living Services (SILS) Grant – reduce available budget by 5%

This grant program is designed to help adults with developmental disabilities live as independently as possible in their own homes or community settings. It provides individualized supports based on each person's needs.

Total grant funds:

- Fiscal Year (FY) 2028: $6,370,000
- FY 2029: $6,370,000

Previous FYs grant utilization:

- FY 2025: 100%
- FY 2026: 95%

Recommended reduced total grant funds:

- FY 2028: $6,051,500
- FY 2029: $6,051,500

Family Support Grant – eliminate

The grant program provides state cash grants to families and children with certified disabilities. Grants may not exceed $3,113.99 per calendar year for each eligible child.

Eligibility:

- Children who live in a licensed residential facility who would return home with grant award
- Families of children with a certified disability, under age 25, who live in their biological or adoptive home
- Families with an annual adjusted gross income of $130,807 or less

Total grant funds:

- FY 2028: $4,313,676
- FY 2029: $4,313,676

Previous FYs grant utilization:

- FY 2025: 90%
- FY 2026: 87%

More information about the Family Support Grant may found at this link: Family Support Grant / Minnesota Department of Human Services

Lead Agency Capacity Building – eliminate

Through the Lead Agency Employment First Capacity Building Grant, DHS has awarded contracts to six lead agencies to expand their capacity to support people with disabilities to contemplate, explore and maintain competitive, integrated employment.

Total grant funds:

- FY 2028: $2,411,000
- FY 2029: $2,411,000

Previous FY grant utilization:

- FY 2026: 96%

More information about this grant may be found at this link: Employment grants / mn.gov/dhs | Partners and Providers

Transitions to Community Grants – eliminate

The grant program was established in 2013 to support people who encountered barriers trying to move from institutions into the community setting of their choice. The grant may serve people who are not eligible for MA, or whose needs are not fully met by current MA-covered services, to support their moves to settings in the community.

The Transition to Community Initiative is designed to:

- Help people live as independently as possible in the least restrictive setting.
- Provide access to personalized services that meet both short- and long-term developmental or treatment needs.
- Help people to build and maintain relationships with natural supports, such as family members, friends, neighbors, coworkers and other community connections.

- Reduce barriers that make it easier to participate fully in the community.

Total grant funds:

- FY 2028: $1,811,000
- FY 2029: $1,811,000

Previous FY grant utilization:

- FY 2026: 78%

More information about this grant, including eligibility criteria, may be found at this link: Transition to community / mn.gov/dhs | Partners and Providers

Eldercare Development Partnership Aging Grants – eliminate

This grant provides for eldercare development partnerships on the availability of service development and technical assistance using a request for proposals process. Eldercare development partnerships:

- Develop a local long-term services and supports strategy consistent with state goals and objectives,
- Identify and use existing local skills, knowledge, and relationships, and build on these assets,
- Coordinate planning for funds to provide services to older adults, including funds received under title III of the Older Americans Act, title XX of the Social Security Act, and the Local Public Health Act,
- Target service development and technical assistance where nursing facility closures have occurred or are occurring or in areas where service needs have been identified through activities under section 144A.351;
- Provide sufficient staff for development and technical support in its designated area, and
- Designate a single public or nonprofit member of the eldercare development partnerships to apply grant funding and manage the project.

Total grant funds:

- FY 2028: $1,758,000
- FY 2029: $1,758,000

Previous FY grant utilization:

- FY 2026: 87%

Customized Living Quality Improvement Grants – eliminate

The 2019 Minnesota Legislature established a Customized Living Quality Improvement grant program (CLQI) for providers of publicly funded customized living services, which was further modified by the legislature in 2020 (See M.S. 256.479). The CLQI grant program supports provider-initiated projects to improve quality of services for people who

are receiving customized living services. Some recent grant recipient projects include connecting memory care residents to the outdoors through building a secured outdoor patio space, increasing resident safety through installing a safety call light system and other emergency care equipment, and kitchen equipment upgrades to enhance residents' meals and dining experiences.

Eligibility:

- Only providers who serve a high proportion of Brain Injury waiver (BI), Community Access for Disability Inclusion waiver (CADI), and Elderly Waiver (EW) participants are eligible to receive funding.
- In accordance with M.S. 256.479, to be eligible for the CL QI grant, at least 75% of clients served by the agency must be waiver participants. For providers of customized living services under the BI or CADI waivers, waiver participants must reside at multiple locations each with at least six residents.

Total grant funds:

- FY 2028: $1,000,000
- FY 2029: $1,000,000

Previous FY grant utilization:

- FY 2026: 95%

More information may be found at this link: Customized Living Quality Improvement - quality of services RFP / mn.gov/dhs | Partners and Providers

Live Well at Home Grants – eliminate

These grants fund public and private nonprofit agencies to establish services that strengthen a community's ability to provide a system of home and community-based services for people age 65 and older to stay in their homes and communities of choice. Through these grants, communities improve their capacity to develop, strengthen, integrate, and maintain culturally competent home and community-based services (HCBS) for individuals age 65 and older who are at risk of long-term nursing facility use and/or spending down into Medical Assistance eligibility. Live Well at Home Grants also help:

- Improve chronic disease management in Minnesota’s communities,
- Expand long-term services and supports capacity by linking formal and informal services, and
- Support caregivers and promote independence through market-based solutions.

Total grant funds:

- FY 2028: $7,693,000
- FY 2029: $7,693,000

Previous FYs grant utilization:

- FY 2025: $7,247,279
- FY 2026: $7,693,000

More information may be found at this link: Live Well at Home Grants / mn.gov/dhs | Partners and Providers

What are the estimated cost savings?

The estimated cost savings from grant reduction or elimination is $19,305,176. The estimated cost savings for how this recommendation could impact costs in other LTSS programs is currently under analysis. Once completed, the estimate will be shared with the LTSS Advisory Council members for their October 21, 2026 voting on the recommendation.

Repeal the new certified assessor team

What is the new certified assessor team?

A new team of statewide MnCHOICES certified assessors was enacted in the 2025-2026 legislative session Chapter 121, Article 9, Section 13, Subdivision 29 to:

- Assist counties, lead agencies, or Tribes to address backlogs in assessment requests
- Conduct oversight and evaluation to determine long-term solutions to this challenge

What would the recommendation change?

It would stop the development of the certified assessor team. Counties, lead agencies, and Tribal Nations would lose this additional support, and backlogs would likely continue.

What are the estimated cost savings?

- $11-12 million in the FY 28/29 biennium

Increase Alternative Care (AC) program fees

What is the AC program?

AC provides services for people 65 and older who require the level of care provided in a nursing home who have low income and assets and are not yet eligible for MA. Most people pay cost-sharing fees determined based on income, assets, and support plan ranging between 5% to 30%, unless they are exempt. People using Consumer-Directed Community Supports (CDCS) on AC currently do not pay fees.

Eligibility:

- Be age 65 or older
- Meet nursing facility level of care as determined by a MnCHOICES assessment
- Not have enough income and assets to pay for a nursing facility stay lasting longer than 135 days
- Need services that AC can provide for less than 75 percent of what Medical Assistance would pay for an older person with a similar level of need
- Have no other way to pay for the services

What are the current AC program fees?

Table 1. Current AC Program fees by Income Level

Person's Income	Gross Assets	Monthly Fee
Income <100% Federal Poverty Guidance (FPG), and	<$10,000	$0
Income >100% FPG but <150% FPG, and	<$10,000	5% cost of AC services
Income >150% FPG but <200% FPG, and	<$10,000	15% cost of AC services
Income >200% FPG, or	>$10,000	30% cost of AC services

What would the recommendation change?

People would pay more than they do now. In addition, people who use CDCS and were not previously required to pay fees would begin paying fees based on their income.

Table 2. Proposed AC Program Fees by Income Level

Person's Income (proposed)	Gross Assets	Monthly Fee (proposed)
Income <125% Federal Poverty Guidance (FPG), and	<$10,000	5% cost of AC services
Income >125% FPG but <175% FPG, and	<$10,000	10% cost of AC services
Income >175% FPG but <225% FPG, and	<$10,000	20% cost of AC services
Income >225% FPG, or	>$10,000	33% cost of AC services

What are the estimated cost savings?

The estimated cost savings for this recommendation are currently under analysis. Once completed, the estimate will be shared with the LTSS Advisory Council members for their October 21, 2026 voting on the recommendation.