



Waiver Reimagine: Feasibility & Recommendation Report

Minnesota Waiver Reimagine Project
Study 1, Tasks A.6 & A.7





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Background

The Minnesota Department of Human Services, Disability Services Division (DSD) is looking to improve system structures to give people more choice and control over the services they receive. As part of that effort, DSD has commissioned two studies from a study team composed of HSRI and its partners.

Study 1 will determine potential options for reconfiguring four Medicaid Home and Community Based Services (HCBS) waivers associated with people with disabilities. Study 2 will determine a unified individual budgeting model for the proposed reconfiguration—one that meets the needs of individuals who are self-directing and those who are not.

This report contains the team’s recommendation for waiver reconfiguration in Minnesota. The sequencing of the report sections reflects the process the team used to narrow down reconfiguration options in the search for a best fit model. It also **includes background information that informed the team’s process and the primary structures the team considered.**

Study to Date

To date, the project team—consisting of staff from Human Services Research Institute (HSRI), the National Association of State Directors of Developmental Disabilities Services (NASDDDS), and Burns & Associates (B&A) in collaboration with staff from DSD and with consultation from Dr. Joe Caldwell of the National Council on Aging and Dr. John Corrigan Ohio, a nationally recognized expert in the field of brain injury—has undertaken study and review of many elements relevant to the goal of waiver reconfiguration.

Between January and June of 2018, the project team researched and reviewed Medicaid funding authorities **and Minnesota’s four current disability waivers—**[Developmental Disabilities](#) (DD), [Community Access for Disability Inclusion](#) (CADI), [Community Alternative Care](#) (CAC), and [Brain Injury](#) (BI)—along with examples of other state waiver reconfiguration efforts. During the same time period, the University of Minnesota traveled across the state conducting stakeholder focus groups, seeking feedback on experiences with the disability service system from individuals who receive services as well as from families, providers, and other stakeholders.

This review allowed the project team to learn about the service system in Minnesota and the ways in which other states have approached and implemented changes to Medicaid long-term services and supports to achieve many of the same goals as those of the DSD.

At the conclusion of the review period, DSD and the project team began engaging in regular meetings to discuss reconfiguration options. Much of this discussion centered

around the many goals to be achieved by reconfiguration. As the team considered different waiver structure options, it also began to prioritize these goals, understanding that all reconfiguration options present different opportunities and challenges.

A service use analysis report was produced by project team member Burns & Associates during this time. Results from this analysis were used to make determinations and projections about which services would be included in a reconfigured waiver structure. This allowed the team to produce fiscal impact projections for its recommended reconfiguration; these projections are included in this report.

This report includes an overview of the processes undertaken to assess the feasibility of reconfiguration and recommend a path forward for DSD to consider. Review of goals for this reconfiguration are presented first, both to set the stage for the tasks of this reconfiguration, and because these goals served as guideposts throughout the entire project, and particularly during the period in which the project team and DSD **debated which reconfiguration structure would best meet Minnesota's needs**. Next, select characteristics of service users and service use patterns are presented to provide context for the service system **that informed the project team's** reconfiguration determination process. Stemming from the trajectory of the work, we then present a feasibility analysis consisting of a narrowed selection of the reconfiguration options that best fit these goals and system realities. Finally, based on fit with goals and priorities as well as structural capabilities, we present our recommendation for reconfiguration in detail.

Project Goals

DSD's **original goal for the study was to identify** recommendations for reconfiguration or consolidation that would achieve the following results:

- Benefit equity and access across HCBS disability waiver programs **including responsiveness to the person's needs, preferences, and** circumstances regardless of waiver program.
- Benefit changes and predictability across HCBS waiver programs including recognition of life changes and increased emphasis on technology, environmental modifications, and adaptive aids.
- Benefit alignment across HCBS disability waiver programs including common service menus, uniform standards, and consistent limits across waiver programs.
- Administrative simplification making waivers easier to understand for consumers and to implement by local lead agency staff, including clear roles of the state and delegated agents in the administration of the waiver programs.
- Program management streamlining that allows changes/amendments to be requested and approved at the same time across waiver programs, allows a

single implementation of the changes, and aligns waiver years for disability waivers.

- Smooth transition to program changes for consumers of disability services while ensuring informed choice on potential service changes.

Layered on top of these original goals are desires held by stakeholders that became clear through the focus groups conducted in spring 2018 by the University of Minnesota, enumerated in the report *Stakeholder Focused Discussions*.¹ Among these were a desire for a simpler, more transparent waiver service system, for better communication from DSD, for increased flexibility in services, and for consistent and uniform practices across counties. DSD mirrored **stakeholders' expression of the desire** for a more easily navigable system, for flexibility in services, and consistency in practice statewide. Collectively, these goals envision a sustainable system that service users can easily understand and navigate, that meets needs in community and person-centered ways that also allow flexibility to service users, and which is maximally streamlined to be most efficient in its operation.

Collectively, stakeholders and DSD envision a sustainable and streamlined system—one that's easy to understand and navigate, offers flexibility to service users, and meets needs in community and person-centered ways.

Throughout this study, the project team has engaged with DSD regarding project aims, using them as the guideposts for the work we have undertaken and reviewing them frequently as we have learned more information. While reconfiguration of the current disability waiver system can help to achieve many of the goals outlined above, the options available for accomplishing reconfiguration may achieve some more than others, and additionally require ongoing consideration of their implications system-wide. To understand some of the context for reconfiguration, information about demographics and support needs of individuals served on the current waivers and accompanying service use patterns were analyzed so that the project team could understand the realities of the system as it stands today, and where opportunities may lie for reconfiguration. The following sections present this analysis in summary form. Citations for full reports from which this information is derived (completed for Study II of the Waiver Reimagine project, but also designed to benefit this study) are provided in footnotes.

¹ Anderson, L.L., Gulaid, A., Nye-Lengerman, K., Reagan, J., Taylor, B., Kardell, Y., & Agosta, J. (2018) *Stakeholder Focused Discussions*. Tualatin OR: Human Services Research Institute

Comparisons Across Waiver Populations

A significant amount of information on service user demographics and spending patterns has been provided in reports submitted for Study II, including *Analysis of MnCHOICES*,² submitted in April 2018, and *Analysis of Service Use and Spending*,³ submitted in August 2018. Relevant findings from these reports are summarized below to frame some of the realities of the waiver service system in Minnesota. MnCHOICES data, used in analyses of service user demographics and support needs, was extracted in January 2018, and represents information on all individuals with completed MnCHOICES assessments up to that date. Service use and waiver participation data is from FY17 and represents Medicaid reimbursement claims made during that time period. Because of this, different numbers of users are reported in each of these sections.

Waiver Participation & Demographics

Waiver participation data is derived from reimbursement claims made in FY17. By looking at this, the project team affirmed that the majority of service users across these waivers are enrolled in the CADI waiver (26,783 people). The DD waiver has the next highest enrollment (18,511). The greatest proportional use of CDCS within these waivers is in the CAC waiver (45% of enrollees).

Exhibit 1

Number of recipients by waiver and number utilizing CDCS in FY17⁴

	BI	CAC	CADI	DD	Multiple ⁵	Total
Recipients	1,295	516	26,783	18,511	212	47,317
Enrolled in CDCS	73	235	2,126	3,136	70	5,640

Source: FY17 claims data

Demographics were analyzed in the report *Analysis of MnCHOICES*, which it has been noted only contains assessment information for individuals who were in the MnCHOICES system as of January 2018. The total number of individuals included in analyses below, therefore, is lower than the total number from Exhibit 1, which reports figures derived from service claim data from FY17 and accounts for all individuals that billed to these waivers during that period. Additional data criteria for the MnCHOICES analysis include that assessments were complete, individuals were

² Kidney, C., Petner-Arrey, J., and Agosta, J. (2018) *Analysis of MnCHOICES: Minnesota Waiver Reimagine Project*. Tualatin OR: Human Services Research Institute

³ Pawlowski, S., Petner-Arrey, J., and Taylor, B. (2018). *Analysis of Service Use and Spending: Minnesota Waiver Reimagine Project*. Tualatin OR: Human Services Research Institute

⁴ Counts for CDCS are based on individuals who had billing under T2028 (any modifier) or T2040.

⁵ These individuals were enrolled in more than one waiver during FY17.

only served on one waiver during the year, and that only adults were included in all analysis related to support ranges.

One of these analyses was on the number of children and adults for whom MnCHOICES assessments were available, by waiver. As can be seen in Exhibit 2, the CAC waiver contains the highest proportion of children aged 0-17. Many of these children and their families elect to use CDCS, which is why that service option is utilized at a considerably higher rate in CAC than in other waivers.

Exhibit 2

Children ages 0-17 account for approximately 3,000 (or 11%) of the waiver recipients

	BI	CAC	CADI	DD	Total
Children 0 - 6	2	62	225	156	445
7 - 17	22	133	1,353	998	2,506
Total	24	195	1,578	1,154	2,951
Adults 18 - 21	13	36	660	751	1,460
22 - 34	163	88	2,620	2,713	5,584
35 - 49	242	38	3,151	2,099	5,530
50 - 64	373	23	7,893	1,729	10,018
65+	75	9	1,457	724	2,265
Total	866	194	15,781	8,016	24,857
Total	890	389	17,359	9,170	27,808

Through the demographic analysis, the team found that the majority of waiver recipients with MnCHOICES assessments live in their own home. Though not displayed in a table, the project team also learned that the vast majority of service users are white (22,044), and slightly more service users are female (52%).

Waiver service users also differ in where they live. In *Analysis of Service Use and Spending*, Burns & Associates use expenditure data to make determinations of the settings in which people reside. Corporate Foster Care/Supported Living⁶ corresponds to paid group-home type settings; Family Foster Care/Supported Living⁷ corresponds to foster care settings in which an individual lives with an unrelated family who help to care for them, and so forth, as identified in that report. It was not possible to determine living setting for all individuals in this manner. In total, living setting is reported for 32,524 individuals of all ages that used waiver services in FY17.

⁶ Corporate Foster Care is the service name for the BI, CAC, and CADI waivers, while it is called Supported Living on the DD waiver

⁷ Family Foster Care is the service name for the BI, CAC, and CADI waivers, while it is called Supported Living on the DD waiver

Exhibit 3

Adults by waiver and living setting

	BI	CAC	CADI	DD	Total
Corporate Foster Care/ Supported Living	465 (48.2%)	31 (18.1%)	2,812 (18.6%)	7,929 (58.2%)	11,237 (37.6%)
Family Foster Care/ Supported Living	24 (2.5%)	7 (4.1%)	408 (2.7%)	373 (2.7%)	812 (2.7%)
Customized Living/ Other Residential	121 (12.6%)	0 (0.0%)	1,971 (13.0%)	0 (0.0%)	2,092 (7.0%)
Non-Residential	354 (36.7%)	133 (77.8%)	9,947 (65.7%)	5,320 (39.1%)	15,754 (52.7%)
Total	964	171	15,138	13,622	29,895

From Exhibit 3 we can see that among adults on the BI and DD waivers, Corporate Foster Care (called Supported Living on the DD Waiver) was the most common living setting for adults that used services in FY17. Among adults on the CAC and CADI waivers, however, the majority of people lived in Non-Residential settings (meaning at home with family, or independently). Only 38 of the 171 adults on the CAC waiver lived in a paid residential setting. This makes sense given that this waiver is meant to support individuals with high medical needs to live in the community, but still draws considerable contrast to the patterns of other waivers.

Living settings for children differed significantly, as would be expected, because most children reside at home with family (i.e., in Non-Residential settings). Across all waivers, 95.4% of children that uses services in FY17 lived in Non-Residential settings. The greatest proportion of children residing in paid residential settings was on the CADI and DD waivers, where 4.9% of children (60 children on the CADI waiver, and 59 on DD) respectively resided in paid residential settings.

Exhibit 4

Children by waiver and living setting

	BI	CAC	CADI	DD	Total
Corporate Foster Care/ Supported Living	0 (0.0%)	3 (1.8%)	39 (3.2%)	48 (4.0%)	90 (3.4%)
Family Foster Care/ Supported Living	0 (0.0%)	0 (0.0%)	21 (1.7%)	11 (0.9%)	32 (1.2%)
Customized Living/ Other Residential	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
Non-Residential	24 (100.0%)	164 (98.2%)	1,177 (95.1%)	1,142 (95.1%)	2,507 (95.4%)
Total	24	167	1,237	1,201	2,629

Support Need

To allow comparison of support needs across waivers, needs are presented as imagined in a support range framework, which is being developed in Study II of the Waiver Reimagine project. Preliminary analysis of adult support needs by an early supports range framework is presented in the report *Analysis of MnCHOICES: Minnesota Waiver Reimagine Project*. More recent analysis suggests that a support need range that includes seven support need groupings (called ranges, as described below) better stratifies the support needs of adults served on the current disability waivers and highlights differences that can be seen in support needs of adults on different waivers.

Due to age related skip patterns and differences in MnCHOICES, the Study II team found that the scales/scores are different between children and adults. Therefore, it was not possible use the scores in the same way to assign support ranges to children. The team chose to focus on adults for this methodology with the intention to recommend one child service mix and recommend revisiting how the assessment works for different age groups when an updated version of MnCHOICES (MnCHOICES 2.0) is released in the future. Support needs presented for comparison below, therefore, are only for adults.

Support ranges are categories by which people with similar support needs, as demonstrated through assessment by MnCHOICES, are clustered together within a range. Each range is assigned to a set of individuals who have relatively similar support needs. In this framework, the support ranges are sorted from 1-4, representing individuals with relatively low support needs to higher support needs, informed primarily by their need for supports in activities of daily living (ADL) and instrumental activities of daily living (IADL). Two categorical levels (“L” - Low to Moderate general support need with high health and/or high psychosocial support needs; **and** “H” - High to Extensive general support need with high health and/or high psychosocial support needs) are assigned to individuals with a range of support needs in ADLs and IADLs who also have particular medical or psychosocial (behavioral) health needs. These two ranges are held out separately because these needs often change the type, amount, or duration of support that individuals need, and so they are more appropriately served through inclusion in categorial ranges. An additional support range, “E” - Extraordinary health and/or psychosocial needs, is reserved for individuals with needs above and beyond what is reflected in other ranges. Exhibit 5 depicts this supports range framework for adults. Exhibit 6 showcases differences in the support ranges that would be assigned to individuals across the four current disability waivers.

Exhibit 5

Supports range framework

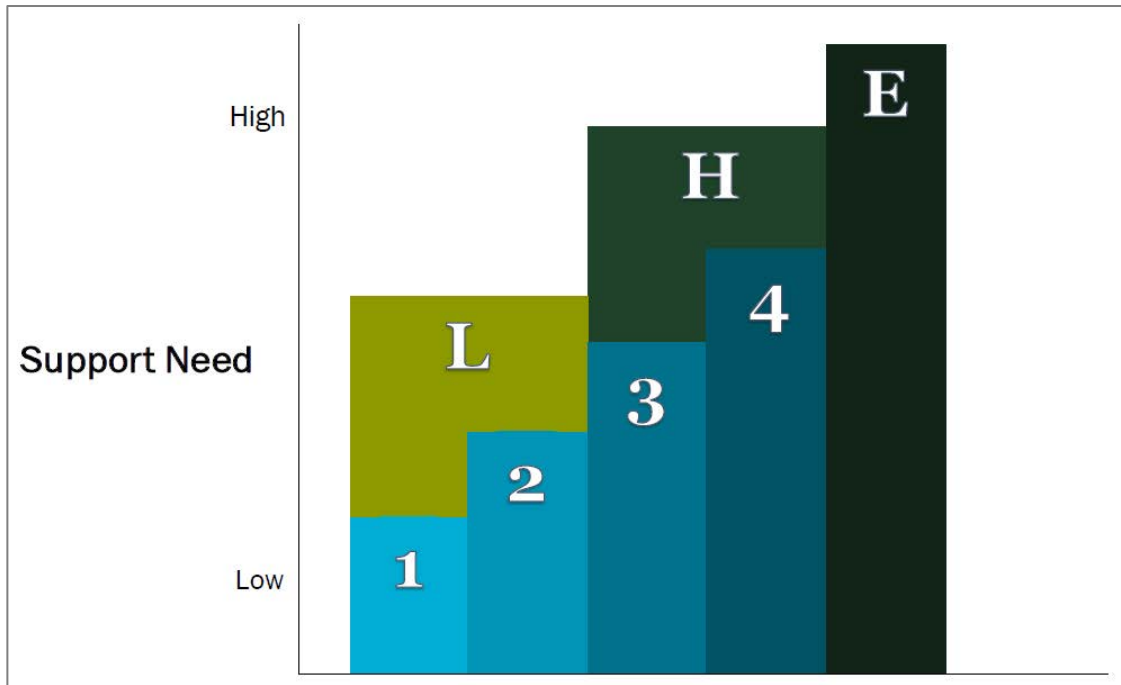


Exhibit 6

Support need ranges by waiver

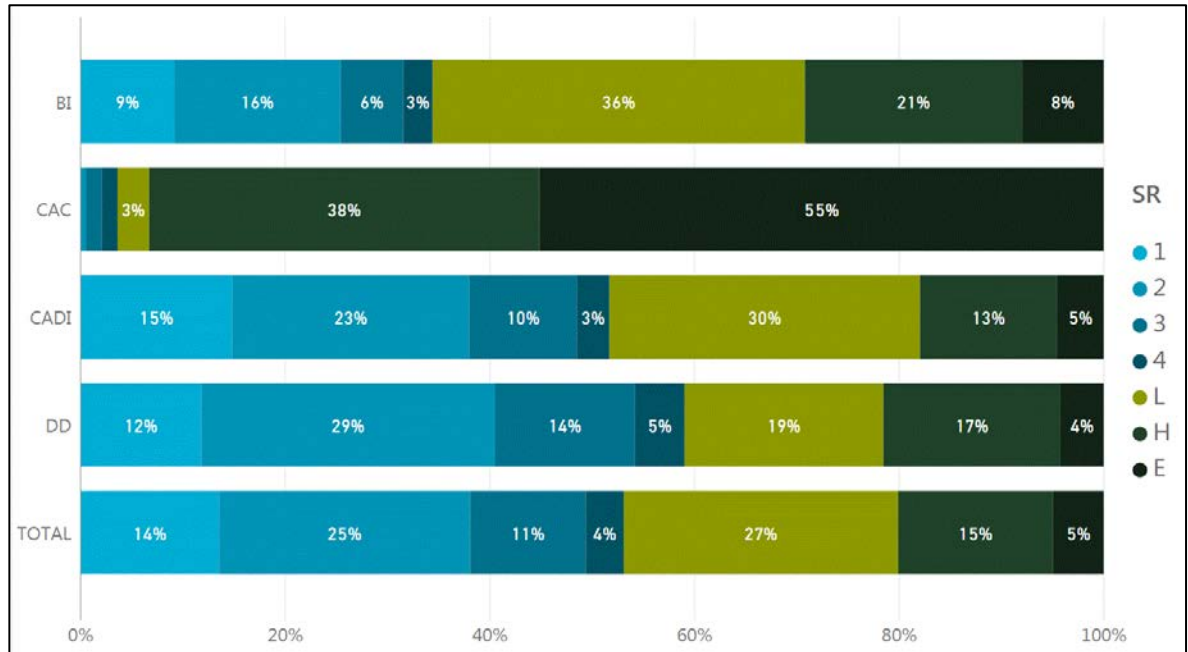
Support Range	BI	CAC	CADI	DD	Total
1	79	0	2336	944	3359
2	141	1	3661	2301	6104
3	53	3	1654	1097	2807
4	25	3	506	390	924
Low	315	6	4789	1557	6667
High	184	74	2115	1387	3760
Extraordinary	69	107	720	340	1236
Total	866	194	15781	8016	24857

n = 24,857

As shown in Exhibit 7, which follows, adults on the BI, CADI, and DD waivers have proportionally similar support range groups. On the BI (36%) and CADI (30%) waivers, most adults would be assigned the “L” support range. On the DD waiver, the greatest proportional group was support range “2,” which would be assigned to 29% of the adult DD waiver population. An extraordinary support range, representing the highest relative support needs is relatively sparsely populated in each of these three waivers (BI: 8%, CADI: 5%, D: 4%).

Exhibit 7

Support ranges proportionally by waiver



n = 24,875.

People using the CAC waiver had significantly different support needs, with a strong majority (55%) of adults who would be assigned the highest support range, “E”. This is expected, given that the CAC waiver is focused on serving individuals who are medically fragile, who are anticipated to have the highest support needs. Just 7% of the total adult population on the CAC waiver would be assigned a support range other than “E” or “H” (the next highest), suggesting that overall, this population has significantly higher needs than populations served on the other waivers. Also of note is the difference in size of the low support ranges across these waivers.

Overall, it is clear that there are some important differences in characteristics and support needs of individuals on different waivers. Most noticeably, individuals served on the CAC waiver are in general different in age and in support need than individuals served on other waivers. People served on CAC also use the CDCS option at a much higher rate than individuals on other waivers. While support range stratification on the other three waivers is more similar (i.e., spread more uniformly across all seven levels), the nature of the exact support needs and the services that are used to meet them is quite different among individuals served on these waivers. These demographic differences help to inform some of the differences in service use that became evident in the analysis conducted by Burns & Associates.

Service Use Analysis

As reported in *Analysis of Service Use and Spending*, individuals served on the four current disability waivers show significant differences in service use patterns. This analysis helped the project team to understand how individuals are using the services

available to them and helped the team anticipate how changes might impact service users and service use. Reconfiguration of any sort would likely have an impact on the services available to individuals. Consolidation would necessitate paring down some services that are similar or nearly identical across waivers and opening up other services to individuals who could not previously access them.

Some differences in service use are inherent to what is available to individuals based on their waiver service array. For example, individuals on the DD waiver use a considerable amount of Day Training & Habilitation services, while individuals on other waivers do not have this service available to them and therefore use other day services. Others are explainable because of some of the noted differences in support need across the waivers, such as a higher use of nursing services by CAC users, or by differences in living setting or program option, such as between individuals living in paid residences and individuals utilizing CDCS.

Differences in residence type also drive variance in service use, as individuals in paid residential settings (Corporate Foster Care/Supported Living, Family Foster Care/Supported Living, Customized Living/Other Residential) access and utilize different services than individuals in Non-Residential settings. The amount of services that individuals in paid residential settings utilize also differs from the amount used by individuals in family home or independent living settings, because this setting does not always have the same around-the-clock paid services that are the hallmark of residential settings. Overall, Residential Services were the highest-cost services, accounting for \$1,404,231,853 in spending in FY17—or about 56% of overall waiver spending. Spending by particular residential services is presented in Exhibit 8, which also notes which services were available by waiver.

Exhibit 8

FY17 Spending on Residential Services, All Recipients

Living Setting	FY17 Spend
Corporate Foster Care, Adult (BI, CAC, and CADI Waivers)	\$395,713,275
Corporate Supported Living, Adult (Daily) (DD Waiver)	\$744,538,877
Family Foster Care, Adult (BI, CAC, and CADI Waivers)	\$42,202,034
Supported Living Services, Adult (Daily) (DD Waiver)	\$35,523,180
Corporate Foster Care, Child (BI, CAC, and CADI Waivers)	\$13,538,122
Corporate Supported Living, Child (Daily) (DD Waiver)	\$13,798,861
Family Foster Care, Child (BI, CAC, and CADI Waivers)	\$3,815,535
Supported Living Services, Child (Daily)	\$3,684,514

Living Setting	FY17 Spend
(DD Waiver)	
Customized Living (BI and CADI Waivers)	\$18,581,560
Customized Living Services, 24-Hour (BI and CADI Waivers)	\$125,595,478
Custom. Living 24-Hour, Corporate Foster Care (BI and CADI Waivers)	\$72,607
Residential Care Services (BI and CADI Waivers)	\$7,167,810
Total	\$1,404,231,853

Residential setting alone, however, did not completely determine which groups had the highest service costs. Although a significant proportion of individuals on the CAC waiver live in Non-Residential settings, the project team found that adults on this waiver have the highest overall per-person cost because they have greater assessed needs and rates for services to meet these needs than those in the other three waivers. Living setting was, in fact, not a cost driver for CAC. CADI enrollees have the lowest per-person costs, likely owing to the fact that nearly half (48%) of the recipients on this waiver are associated with the lowest support ranges and that a strong majority of individuals of all ages on this waiver reside in Non-Residential/unpaid living settings.

Some key differences in spending and service use that were reported include:

- 63% of BI Waiver enrollees and 60% of DD Waiver enrollees reside in a full-time, paid residential setting. In contrast, only one-third of CADI Waiver enrollees and one-fifth of CAC Waiver enrollees are in such placements.
- The high average costs for CAC Waiver enrollees are due to high residential rates and significant utilization of nursing services. The average Corporate Foster Care rate for CAC Waiver enrollees is \$596 per day, more than double the \$253 average across the other three waivers. Adults living with family and not using CDCS used an average of more than \$176,000 per year in medical and professional services (primarily nursing) while adults living independently without CDCS used more than \$202,000 of such services. The averages in the other waivers are all less than \$4,000 per year.
- Outside of the CAC Waiver, average rates for residential and day habilitation services are generally comparable across the other three waivers after accounting for preliminary support ranges.
- In every residential placement, DD Waiver enrollees use more day services than the all-waiver average, with amounts ranging from \$5,500 per year for those living independently without CDCS (compared to a \$1,200 average across the other three waivers) to \$15,300 for those in corporate foster care (compared to \$4,600).

Other important findings relate to use of particular services. In *Analysis of Service Use and Spending*, services are analyzed by groups of similar services. The full analysis of all services is available in the *Analysis of Service Use and Spending* report; however, several important service groups are presented here that show differences in spending by service, as well as availability of service by waiver. Such differences are important because they may signify preferences for particular services that could be shared by groups that do not currently have access to the service.

For instance, as can be seen in Exhibit 9, below, Day Training and Habilitation is a service only available on the DD waiver. Expenditures for this service, however, were significantly higher than all day services available on other waivers combined. This suggests a rather different use pattern for day services by individuals served on the DD waiver than individuals on other waivers. This was an important finding for the project team to consider, because it could signify that if this service were to be newly offered to individuals from other waivers, they may elect to receive this service, which would have significant financial implications. Such considerations were made by the group, which used the service use analysis coupled with DSD’s understanding of trends in service use to make judgements about how service use might change through different reconfiguration options.

Day and Employment Services

Exhibit 9

FY17 Spending on Day and Employment Services, All Recipients

Service	FY 2017 Spend
Day Training & Habilitation w/ Transportation (Day/ Part-Day) (DD Waiver)	\$178,654,213
Day Training & Habilitation w/o Transportation (15 Minutes) (DD Waiver)	\$2,832,060
Day Training & Habilitation w/ Trans. Pilots (DD Waiver)	\$25,368
Structured Day Program (Day) (BI Waiver)	\$1,353,232
Structured Day Program (15 Minutes) (BI Waiver)	\$1,093,186
Adult Day Services (Day) (BI, CADI, and DD Waivers)	\$13,040,576
Family Adult Day Services (Day) (BI, CAC, CADI, and DD Waivers)	\$78,045
Adult Day Services (15 Minutes) (BI, CADI, and DD Waivers)	\$6,674,820
Adult Day Services, Bath (15 Minutes) (BI, CADI, and DD Waivers)	\$71,348

Service	FY 2017 Spend
Family Adult Day Services (Day) (BI, CAC, CADI, and DD Waivers)	\$51,864
Prevocational Services (Day) (BI and CADI Waivers)	\$17,664,240
Prevocational Services (Hour) (BI and CADI Waivers)	\$6,612,181
Supported Employment (15 Minutes) (BI, CAC, CADI, and DD Waivers)	\$16,908,729
Total	\$245,059,862

Other use patterns that emerged from expenditure information were also useful to the team in gaining an understanding of how different waiver reconfigurations might impact individual service use. For instance, within the personal care service grouping, many services had overlap in the types of activities they covered, such as Personal Support and Adult Companion Services. Because these were already very similar services, the project team felt that it would not need to anticipate significant changes in use if these were combined into a single service. Indeed, the relatively low use of the Adult Companion Services by individuals on the BI and CADI waivers likely signals that demand for this type of service by people served on these waivers is limited, which caused the team to conclude that the same (or a very similar) service offered under a combined waiver would be unlikely to alter service use patterns dramatically.

Use patterns in other personal care services (included in Exhibit 10) also caused the team to reflect. Independent Living Skills Training, Supported Living Services billed in 15-minute increments, In-Home Family Support, and Individualized Home Supports (not included in this table) also cover rather similar services. These services were heavily used by individuals able to access them; thus, the project team gave consideration to what combining them might look like and discussed impacts in use that might be anticipated if this were done as well as how individuals might be challenged by or benefit from such a change.

Personal Care Services (PCA not included)

Exhibit 10

FY17 Spending on Personal Support Services, All Recipients

Service	FY17 Spend
Independent Living Skills Training (BI, CAC, and CADI Waivers)	\$59,822,627
Independent Living Skills Therapies (BI, CAC, and CADI Waivers)	\$17,494
Personal Support (DD Waiver)	\$48,168,486
Adult Companion Services (BI and CADI Waivers)	\$1,979,477
In-Home Family Support (DD Waiver)	\$33,834,650
Supported Living Services, Adult (15 Minutes) (DD Waiver)	\$23,431,408
Homemaker and Chore Services (BI, CAC, CADI, and DD Waivers)	\$22,450,376
Night Supervision (BI, CAC, CADI, and DD Waivers)	\$563,014
Supported Living Services, Child (15 Minutes) (DD Waiver)	\$77,040
Total	\$190,344,572



Reconfiguration Options

Development

The following describes the strategy that was employed to evaluate reconfiguration options and presents the results of this analysis.

To begin, the project team categorized and prioritized the numerous goals that had emerged since the onset of the project through ongoing discussions with DSD staff and stakeholders in Minnesota. In discussing project goals, a handful stood out as the most critical to achieve, and the most commonly identified across all stakeholders (including DSD). These included:

- Streamlining and simplifying the system
- Improving control at the state level, both administratively and fiscally
- Improving the ability to match resources to assessed need
- Increasing flexibility in how services are used
- Advancing self-direction
- Ensuring sustainability of the system now and in years to come

In conversations held throughout the summer, the project team and DSD discussed evaluation criteria that incorporated the goals as well as other operational components. These were considered and applied to the numerous reconfiguration options available to yield a subset of viable options most likely to achieve the desired aims. These criteria included:

- Adherence to system goals – How well does the option promote the intended policy and system goals? How well does the option balance competing priorities?
- Adherence to stakeholder goals – How well does the option address concerns and desires of stakeholders as identified during the statewide focus groups?
- Impacts on service recipients – How well does the option promote parity across populations? How well does the option achieve minimal disruption in service for end-users? How well does the option consider the varied needs of the waiver populations? Would the option likely result in service reductions for one or more particular groups?
- Impacts on the system – Are there aspects of the option that would be difficult to predict or assess the impact on the system overall? Would the option present any undesired consequences? What are the anticipated high-level fiscal impacts?

- Transition considerations – Can the option be achieved in a reasonable timeframe? What is the level of effort required to change and/or design regulatory structures necessary to implement the option?
- Communication considerations – How well does the option translate to stakeholders? Are there aspects of the option that will be difficult to explain? Are there aspects of the option that could be unpopular? Are there aspects of the option that would require extensive training for system administrators, case managers, providers, and others?

Using these criteria, the team evaluated the merits of the various funding authorities and structures available. To begin, all reconfiguration models were considered, including creating additional waivers, moving to a consolidated waiver, using a state plan configuration, and more. Options that did not perform well against the criteria were eliminated. For example, consistent requests for a more simplified system from stakeholders at all levels suggested that adding additional waivers would not contribute to an easily navigable system. Use of an 1115 demonstration similar to that used in Tennessee (which essentially contains other programs within it) also appeared not to assist with the administrative simplicity sought by DSD. Managed care options were not identified as being a desirable path at this point in time by DSD.

Minnesota is currently pursuing a state plan expansion to a Community First Services and Supports (CFSS) program, which is intended to be more accessible and flexible than the current Personal Care Assistance (PCA) program, mirroring reconfiguration goals of accessibility and flexibility. This program will be self-directed and community-based and will replace PCA and the Consumer Support Grant. CFSS will expand on the service provision capacity of the PCA service, allowing providers to assist participants to learn new skills in addition to assisting with ADL. Further, spouses and parents of minor participants will be able to provide these services. It is currently planned that CFSS will be realized across 1915(k), 1915(i), and 1115 funding authorities, which allow for provision of this service to a broader scope of service users than a single funding authority alone. The project team kept this expansion in mind through reconfiguration discussions, acknowledging that it will likely provide a more substantial state plan personal support benefit than is currently in place, and that with planned changes to this benefit, it likely did not make sense to propose changes to the state plan.

After completing the first phase to narrow the options, the team determined that it would be best to use a 1915(c) structure, which the state already uses for its current waivers, and for which significant work towards alignment has already been done. The reconfiguration solutions the team considered both assume that significant portions of the existing waivers would be used in a new configuration structure, as these elements have already been developed, vetted, and put in place in Minnesota, and do not require change. Using this waiver structure thereby minimizes impacts to the system. The structure will allow the state to continue to operate a concurrent 1915(b) through which it can manage case management. It will also fit with the state

plan as it currently exists, and with some adjustments, as it may exist after CFSS is operationalized.

The team landed on consideration of two primary 1915(c) arrangements that would both create greater simplicity in the system, eliminate the need to select a waiver based on diagnostic targeting, and that would offer flexibility in services. These options, along with their associated benefits and challenges, are presented in the following section.

Selected Reconfiguration Options

Given the findings presented above, and the goals to be achieved from reconfiguration, the project team determined two reconfigurations that could work to **meet Minnesota's** goals: a single consolidated waiver, or two waivers, consisting of a Supports Waiver and a Comprehensive Waiver which would each serve all the groups currently served by the four disability waivers. Both options would eliminate the need for an individual to make decisions about how they receive services based on a singular diagnostic label or particular circumstance, allowing the system to respond to **each individual's spectrum of needs rather than requiring** individuals to fit into a particular categorical box. Each also delivers a simplified waiver system comprised of fewer programmatic structures—and though the two-waiver configuration options contain multiple waivers, they are imagined as a forward-facing unified program consisting of two different paths.

Each reconfiguration assumes use of the support range system being developed in Study II of the Waiver Reimagine project. While this is anticipated to help DSD to meaningfully associate support needs with resources, serving individuals with very different needs through a support range system challenges the way that HSRI typically creates such systems. Both reconfigurations presented here assume consolidation of the populations served on the current waivers.

In past supports systems that HSRI has created, only a single population (individuals with I/DD) has been included. Service packages (a specific menu of base services offered by DSD, associated with a proposed, potentially capped dollar amount) would be selected from the full service menu available on a waiver to be associated with budgets by support ranges. These budgets are typically created by analyzing past service use patterns and projections about service use in the future. In Minnesota, service users across the four current disability waivers show considerably different support needs and service use patterns; consequently, creating a common package of base-level services that can meet the needs of all individuals poses particular difficulties. Study II will need to make determinations about how best to serve individuals with different support needs through service packages made available to them through their support budgets.

Both reconfigurations build on considerable work already accomplished by DSD to create unity among their current waivers through common services, practices, and standards. In addition, both solutions offer an array of benefits and challenges

unique to each reconfiguration structure. The project team gave significant consideration to each solution, evaluating each against the criteria outlined previously and a closer examination of the anticipated changes that each would bring about within the system.

Unified Waiver

A unified waiver solution would consolidate the four existing disability waivers into a single 1915(c) disability waiver that would serve each of the four populations with a common service array. This structure would achieve full consolidation of the current waivers, and would utilize support ranges determined by Study II to associate people with budgets to meet their assessed support needs. Budget assignments could firmly limit the amount an individual could spend, or serve more as a goalpost for planning, but not exist as hard limits.

A unified waiver structure would carry with it two options for transition:

- 1) One of the existing 1915(c) waivers could serve as the receiving waiver and the other three waivers could be sunsetted; or
- 2) One new waiver could replace all four existing waivers.

Utilization of the first option retains DSD’s ability to use the full time period for HCBS settings rule compliance (through March 2022). Pursuit of a new waiver would require full compliance to be in place at the time of waiver approval. DSD would need to consider its position relative to this rule in selecting either of these transition options.

Both transition options assume complete movement of all individuals currently served to the new waiver. DSD would need to do impact modeling closer to this transition to estimate impacts to service offerings to all individuals in order to understand where any potential reductions in service authorizations may occur based on this new structure. Notifications of reductions would need to be provided to any impacted individuals.

BENEFITS

This structure achieves considerable simplicity in the system. Waiver administrators would only have one waiver to renew and update, case managers would only have to master the mechanics and rules of the single waiver, and service users would all be served on the same program regardless of diagnosis, level of need, or living setting. CDCS would still exist within the waiver—as an individual service amid the array—as it does currently. Individuals served on a unified waiver would also have full access to electing to self-direct through the CDCS service.

All individuals would have access to a common service array within a unified waiver option. Service access would be limited by support range (determined by assessed need, age, and living setting) and specific support need. Because all individuals would

have the same service array available to them, individuals served on this waiver would have the maximum ability to select the services that best meet their needs.⁸ Individuals served on a unified waiver would also have full access to electing to self-direct through the CDCS service.

This waiver structure allows significant fluidity and flexibility for individuals in the supports they receive, because it is dependent on a system in which people are assigned to support ranges based on assessed need, age, and living setting. If any of these three variables changes, an individual may request a reassessment with MnCHOICES to document this change, and their information will be re-run through the algorithm that associates them with a level and eventually a supports budget, which can change to meet current needs. Individuals could elect to change living settings with relative ease, receiving a new budget based on the living setting they select. They would not need to re-seek waiver enrollment based on such a change, as it is not imagined that a unified waiver would limit the number of individuals served.

CHALLENGES

A primary challenge that a unified waiver presents is that it reduces **DSD's** ability to apply controls and limits that currently exist due to the natural separation between waivers, which may result in substantial impacts on costs. Administrative structures would need to be in place to efficiently manage the overall budget. While a unified waiver offers simplicity in the administration of a single waiver, the policies and procedures necessary to instill some capabilities for control may add a layer of complexity.

Another challenge to achieving a singular waiver would be in making determinations about the service array that will be offered. As was found in the service use analysis, individuals on the DD waiver use considerably more services than individuals on other waivers. Individuals in all waivers also have certain services available to them that are not available on other waivers. For instance, the DD waiver has Day Training & Habilitation, and the BI waiver has Structured Day Program, in addition to Adult Day Services (which all four waivers have). These services are all day services, and they share many commonalities in their service definitions and practices; however, they come with different rates and use patterns. To achieve a consolidated waiver, DSD would need to make determinations about which of these services to keep, or how to combine these services, what restrictions it might wish to place on use, and which rates should be associated.

Associated with this, there is potential that stakeholders may experience or perceive a loss of specification or specialization in services under this configuration. Services currently targeted at individuals with particular diagnoses would likely need to be altered, which may change the nature of services formerly tailored to particular need groups. This configuration would offer the most minimal differentiation in populations.

⁸ Assuming they meet all eligibility requirements for receipt of the service

Because all individuals would have access to the array of services in this configuration—limited only by age, support range, and living setting—there is increased pressure to accurately associate people with the appropriate support level such that they have access only to what they need. Although there is a moratorium on Corporate Foster Care (CFC) at the time of writing, individuals may still elect to move from less expensive to more expensive living settings, which could include CFC in the future should the moratorium be lifted. In a unified waiver configuration, there would be no structural barriers to individuals served on the waiver electing to live in costlier living settings. Latent demand for paid-residential setting spots could come to the surface under a unified waiver in which individuals can relatively freely elect to move to these settings. Without a clear understanding of the magnitude of this demand, the project team is unable to confidently predict the fiscal impact this demand may present. There are, therefore, potential cost implications particularly associated with residential services with this structure, although their scale is unknown.

For additional review of benefits and challenges of this reconfiguration, see Appendix A.

Supports and Comprehensive Waiver

This reconfiguration structure would consolidate the four current waivers. However, a Supports Waiver would offer a specific array and potentially a capped dollar amount of services to one group of individuals, while a Comprehensive Waiver would be made available to another group. Division of the groups could be based on different factors, such as expense of services and/or living setting. This configuration would allow **individuals' needs to be met** while also providing the state with a mechanism to monitor or contain spending in the system. Often, Supports Waivers are focused on individuals living at home with family or independently and offer specific services that would benefit individuals in these settings. For example, states might offer a community guide, peer support, or connection service on this waiver to bolster **people's ability to live and thrive in the community. These services would not be** offered on the Comprehensive Waiver, which would be reserved for individuals living in paid residential settings, which would be supported through an array containing paid-residential support services.

Transition to this waiver configuration could be accomplished in two ways:

- 1) One of the existing 1915 (c) waivers could serve as the receiving waiver for the Comprehensive Waiver and the other three waivers could be sunsetted. A new waiver would need to be created for the Supports Waiver; or
- 2) Two new waivers could replace all four existing waivers.

These two methods contain the same limitations regarding the HCBS setting rule as those outlined within the unified waiver transition options. Also similar to the unified waiver transition options, DSD would need to do impact modeling to anticipate any

potential reductions in service authorizations for individuals so that appropriate measures and notifications could be made.

The project team considered two different configurations of a two-waiver solution using the 1915(c) authority: a more traditional configuration that would limit the dollar amount available on the Supports Waiver, and a more flexible configuration that would only limit spending based on individual budgets assigned by support range, **but with no ‘hard’ maximum ceiling outside of this. Both configuration** options consider living setting, and both involve the use of the support range levels being developed through Study II of the Waiver Reimagine project. Each option includes a Supports Waiver that would include services geared toward individuals living independently and at home with family and would not include paid residential services. After an initial transition, it is imagined that DSD would limit access to the Comprehensive Waiver, which would contain paid residential services, in some ways so that it could monitor and manage movement into these costlier settings.

Both are imagined as being presented as a singular program with two tracks. Stakeholders outside of waiver administration entities should be able to engage the program to meet their specific needs without having to become experts on waiver technicalities. Utilizing two waivers allows for customization in services based on specific factors as well as a means for DSD to evaluate, improve, and control services for specific groups. The two-waiver configuration should not be understood as a barrier to receipt of appropriate services; instead, it provides a structural means of achieving such, within an overall consolidated program that aims to meet the spectrum of services each unique individual might need. Two different configurations conceived of in this manner are presented in the sections that follow.

SUPPORTS & COMPREHENSIVE CONFIGURATION OPTION 1

In Supports & Comprehensive Configuration Option 1, individuals residing in paid residences would be served by the Comprehensive Waiver, and individuals living independently or with family would be served by the Supports Waiver. Both waivers would be organized by support ranges tied to assessed need. Budgets to use on a specified array of services available on each waiver would be associated with these ranges, which would then act as progressive caps to the amount an individual may spend on services. In this configuration, there is no hard cap on the amount of funds available on the Supports Waiver outside of those associated with the support ranges. Expenditures are managed solely through this framework. Exceptions processes would need to be created to meet needs beyond what is available in the budget.

Flexibility for individuals to change residential settings would be managed primarily through reserved capacity held on the Comprehensive Waiver for individuals who wish or need for some reason to move into paid residential settings. DSD would need to make a determination about how it would manage reserved capacity, and how it would manage demand for movement should it exceed the amount built in through reserved capacity.

Self-direction would only be available on the Supports Waiver, as it is limited to use only by individuals living in unpaid residential settings, who are served on this waiver.

Exhibit 11

Supports & Comprehensive Configuration Option 1: Two waivers, split by residence type				
	Comprehensive Waiver	Supports Waiver	Benefits	Challenges
Individuals Served	Individuals in paid residential settings	Individuals living independently or at home with family	<ul style="list-style-type: none"> • Promotes self-direction & flexibility • Less reliant on accuracy of assessment tool • Matches supports to need 	<ul style="list-style-type: none"> • Less fiscal control • Potential for formation of a waitlist for the Comprehensive Waiver
Organization	Support Ranges: 1-7, tiered by support need	Support Ranges: 1-7, tiered by support need		
Fiscal Limitations	Limited by Support Range assignment	Limited by Support Range assignment		
Movement between waivers	Includes reserved capacity options that enable people to move from the Supports Waiver if they change living settings	Individuals could move from Comprehensive Waiver to Supports Waiver freely		
Self-direction	Not Available	Yes		

SUPPORTS & COMPREHENSIVE CONFIGURATION OPTION 2

In Supports & Comprehensive Configuration Option 2, the waivers are less differentiated by living setting, although this information is still vitally important in determining which waiver an individual will be eligible for. Individuals residing in paid residences would be served on the Comprehensive Waiver, in addition to individuals living at home with family or independently who have high support needs. Association of individuals in home and independent settings with this waiver could be done by tying support range assignment to waiver eligibility. For instance, in a 7-level support range system, individuals in ranges 4-7 might be assigned to the Comprehensive Waiver, while individuals in the same living settings but in support ranges 1-3 would be assigned to the Supports Waiver. This configuration would allow the state to utilize a hard cap of some dollar amount (associated with a supports budget) on the Supports Waiver, which could help to control costs. Individuals in the Comprehensive Waiver would have cost limits by support range budget, but no hard cap across the entire waiver. Self-direction would be available on both waivers to ensure all eligible individuals would have access. Reserved capacity would need to be held for individuals whose needs change suddenly, and potentially for individuals who wish to move from an unpaid to a paid residential setting.

Supports & Comprehensive Configuration Option 2: Two waivers, split by residence type, and support ranges				
	Comprehensive Waiver	Supports Waiver	Benefits	Challenges
Individuals Served	Individuals with high support needs living in paid residential settings or living independently or at home with family	Individuals with low support needs living independently or at home with family	<ul style="list-style-type: none"> • Promotes self-direction • Offers maximum administrative & fiscal control • Matches supports to need, and ties need to cost 	<ul style="list-style-type: none"> • Requires more precision from assessment tool • Not as flexible for users • Likely less appealing to individuals in service • May be more likely to create a waitlist for Comprehensive Waiver due to limits in what is offered on the Supports Waiver
Organization	Individuals in paid residences: Levels 1-7 Individuals in unpaid residences Levels from a cutoff point up (e.g., 4-7)	Individuals in unpaid residences and in Levels up to the cutoff point (e.g. 1-3)		
Fiscal Limitations	Limited by support range assignment	Limited by support range assignment and a maximum allowable amount		
Movement between waivers	Include reserved capacity options that enable people to move from the Supports Waiver if they change living settings, or if their needs change	Individuals could move from Comprehensive Waiver to Supports Waiver freely if they are in lower support need levels, and can be supported under the maximum allowable amount		
Self-direction	Yes	Yes		

Between the two configurations of the two-waiver solutions, Supports & Comprehensive Configuration Option 2 presents the greatest administrative and cost controls by limiting people to a maximum budget (associated with a support range) on the Supports Waiver. While this option would give considerable control, the team felt that it would be overly reliant on the assessment tool to make the determinations about waiver eligibility. Imposing this comparatively rigid structure, the team felt, would sacrifice too much of the flexibility that DSD and stakeholders want the reconfiguration to achieve. Therefore, while Supports & Comprehensive Option 2 offers maximal administrative control among these options, it does so at the cost of the flexibility in services and service receipt that has been chief amongst the project goals held by DSD and stakeholders across Minnesota.

The project team determined that in order to maximize simplicity in the system and flexibility for individuals and families while still retaining some amount of ability to control the system, the two-waiver solution as imagined in Supports &

Comprehensive Configuration Option 1 would be the ideal two-waiver solution. As such, each waiver would be tied to residential setting, with no hard cap on expenditures within the Supports Waiver to allow a full range of services and flexibility to individuals living at home with family or independently who require a significant amount of services to do so. By doing so, individuals with high needs who wish to reside at home, such as those who are served currently on the CAC waiver, would be able to receive services seamlessly on the same waiver even as their needs might change. Individuals with lower relative support needs would likewise not be burdened with requesting a waiver change should their needs exceed what is available on a Supports Waiver or change significantly.

This solution hinges on utilization of a support range framework to assign individuals to support ranges created to meet their needs, which would each have a proposed maximum dollar amount to be spent on services. Individuals requiring additional services beyond what is available within that budgetary amount would pursue an exceptions process.

This configuration, involving the use of two waivers that would each serve all four disability groups currently served, would greatly simplify the waiver system. Diagnosis or type of disability would no longer limit which waiver an individual could access. The project team anticipates that the arrays on these waivers would share many similar services, with differentiation primarily occurring between residential and family-oriented services. This would potentially ease consolidation of the two waivers in the future if such a path were pursued.

The benefits and challenges associated with a two-waiver solution, outlined below, presume the use of Supports and Comprehensive Configuration Option 1 (hereafter referred to as Option 1).

Benefits

A two-waiver structure as imagined in Option 1 offers different benefits than a single consolidated waiver, in that it allows for a service array targeted at individuals living at home with family and independently on the Supports Waiver. It is proposed here that DSD would pursue a Supports Waiver with many of the same services offered on a Comprehensive Waiver, but with the distinction that services aimed at supporting individuals living independently or at home with family only be offered on this waiver. This structure would therefore provide an opportunity for the state to focus supports on individuals that enable them to remain in the community. Focusing on supports to this group also allows the state to learn how to best meet the needs of this population, and to make changes to how it does so over time without those changes impacting individuals on the Comprehensive Waiver.

Further enhancing the Supports Waiver would be the consumer-directed program, which would only be available in this waiver due to inherent limitations on receipt of this service. Because it would only be available on the Supports Waiver, which would not offer paid-residential services, innovative options in self-direction are easier to

achieve. For instance, DSD could maintain CDCS as it currently exists, or it could pursue additional avenues for promoting self-direction within a Supports Waiver, potentially through allowing individuals to self-direct some but not all of their services. Doing so may promote use of the self-directed option by allowing individuals to use it only as they desire, and not requiring them to enroll in this program wholesale. There may be additional opportunity to pursue administrative changes that would allow individuals to manage services more flexibly without the need to fully manage their services in a self-directed manner (which entails the use of a fiscal management service, and involves the individual managing their own support staff, either on their own or with the help of an agency). It may be possible for DSD to group similar services into service categories that could be associated with a set pre-authorized dollar amount, within which individuals could utilize services within the category flexibly based on their current needs, without the need to obtain authorization for changes made up to that budget amount. This would promote an informal type of self-direction, and meet the strong demand heard from stakeholders for increased flexibility in services. It may also create an additional incentive for individuals to utilize the Supports Waiver.

Considerable administrative and programmatic simplification could also be achieved through this waiver configuration by reducing by half the number of waivers that DSD would need to oversee, and by conceptualizing and structuring the two waivers as different paths within a single program. The waivers could be created to be identical in numerous ways that would make the divide on residential setting the primary noticeable difference, and would still draw on the work DSD has already done to bring their current waivers into uniformity. The project team believes that creating the waivers in this manner would make it simpler for stakeholders to understand and navigate the waivers, because the waivers would only differ based on living setting. They would share eligibility criteria, allowing individuals to work with service planners to determine the array of supports that would best meet their needs.

A two-waiver configuration also offers DSD the benefit of the opportunity for greater control over its system. Offering different services on these waivers specific to different residential settings allows the state to observe demand for movement into costlier service settings. Learning more about this demand may have the consequential benefit of helping DSD to learn how it can better meet needs in family and independent settings. Methods for limiting and authorizing such movement would need to be developed.

Utilizing the support range framework proposed instead of a single hard cap to services would allow for individuals with all levels of need and service use to be served on the Supports Waiver. Typically, Supports Waivers offer services capped at a significantly lower dollar amount than those on a Comprehensive Waiver. Because DSD does not wish to limit resources for individuals living independently or at home with family based on their living setting, a waiver that does not have a budgetary ceiling makes the most sense. Nevertheless, some amount of control is necessary in order to maintain fiscal responsibility. To meet this need, support ranges would

associate individuals with a support range attached to a budget and service package designed to meet their needs, while promoting choice and flexibility. This framework allows people to have their support needs met and still offers DSD a mechanism by which to monitor and control overall cost.

Challenges

A two-waiver structure, as proposed in Option 1, shares similar challenges to a unified waiver relative to the creation of service arrays. Any services not currently shared by all waivers would need to be discussed for inclusion in this new structure, and decisions would need to be made about which services would be available on each waiver, at what rates, and with what assumptions about how service use patterns might change.

An additional challenge with this structure will be communicating that it is intended as a singular program and ensuring that stakeholders do not feel as if either waiver is preferential over the other. Some stakeholders may have preconceived notions that a Supports Waiver inherently offers less. As proposed, these waivers offer different services, but individuals could receive any amount of the services available based on their support needs.

In terms of the manner in which these waivers would offer supports, the supports range framework is proposed to help DSD manage and control costs, but utilizing a Supports Waiver with no singular cap may provide less control over spending than a waiver that holds people under a particular dollar threshold. Because cost savings within the system was not identified as a goal for this work, the project team has not placed great emphasis on this challenge.

For additional review of the benefits and challenges of this reconfiguration, see Appendix B.

Evaluating the Consolidation Options

Each of the reconfiguration options presented is feasible to pursue, achieves a number of the goals for a reconfiguration effort, and was presented to DSD for discussion. Both the single, unified waiver and the two-waiver configurations help to achieve some of the primary goals of this project—helping to streamline and simplify the system, allowing individuals to access a full range of supports to meet their needs regardless of diagnosis or circumstance, and utilizing a support range framework to help match resources to assessed needs in order to better predict costs, which ultimately assists with overall system sustainability.

Some of the technical properties inherent to the structures of these waivers, however, achieve different mixes of these goals. The different outcomes that they represent, therefore, required the project team to determine how to weigh achievement of certain goals over others.

The unified waiver supports a system that is maximally flexible for service users—all individuals have a full array of services available to them, and they are not limited by the waiver to receipt of services associated with specific living settings. This comes, however, at the cost of administrative control, introduced by the structure of the waiver and its allowance for service users to freely choose to live in costlier residential settings—barring outside measures like the current moratorium on Corporate Foster Care. Associated with this decreased ability to exercise administrative control over a unified waiver structure, the project team felt that this configuration may sacrifice some ability to tailor supports and services to better serve populations, because adjustments that would need to be made would have to be made in a more wholesale fashion. Self-direction would be available to all individuals as it is currently, but no expansions to this program are imagined. While a unified waiver is maximally flexible, and considerably simplified, the nature of the singular structure imposes limitations on the amount of administrative oversight and localized adjustment that can be made for services to specific populations.

The two-waiver configurations address some of these challenges. Division of service users as imagined in Option 1 allows the state to monitor and evaluate changes resulting from reconfiguration and to make adjustments in a more precise fashion as necessary. It does not, however, force people to select a waiver based on their LOC or diagnoses. This configuration allows the state to focus on the way it supports individuals in residential settings and in independent and family/caregiver settings to determine new and better ways to provide support, and to make these changes in a targeted manner.

In such a two-waiver configuration, individuals do not have the same freedom to move between paid and unpaid residential settings. Although reserved capacity in **these waivers will allow a path for movement into these settings, the waivers' division** by living setting would allow DSD to make determinations more concretely about this movement, which would help it to manage cost, and may also support the state in understanding how it can make unpaid living settings a more attractive and viable option for service users.

The flexibility that is offered in a two-waiver configuration as imagined in Option 1 is that individuals of all need levels can be supported on both waivers. The Supports Waiver as proposed here does not hold individuals down to a singular, low dollar cap. Individuals from any support range could be served by this waiver, which means that individuals would not have to seek to enroll in a new waiver should their needs change in such a way that they require additional supports.

The best balance of flexibility and control, the team felt, was the two-waiver configuration as presented in Option 1, which offers a structure in which the Supports Waiver would serve individuals at all support ranges and associated budgets, and which would separate the service populations in a way that would allow DSD to retain some control over movement between waivers and to make targeted adjustments to each waiver. This configuration allows individuals with even the highest support needs to be served on the Supports Waiver, and to remain living at home with family

or independently. Services geared toward supporting people in these settings increase with support need, giving people the greatest flexibility to remain in more independent settings regardless of level of need. This solution speaks both to the goals held for this project and many of the systemic realities uncovered through analysis of support needs and service use presented previously.

Among the chief drivers of difference in support need was living setting. Therefore, creating a distinction within waivers based on this factor made natural sense. However, because living setting alone did not determine what an individual might need, as could be seen through the support needs and service use patterns of people on the CAC waiver, it made greater sense to the project team to pursue a system that would allow flexibility for individuals of all need levels to be served on each waiver, so that as needs change—or even as they reach the relative maximum ends—individuals can still be supported by a waiver that is tailored for their needs.

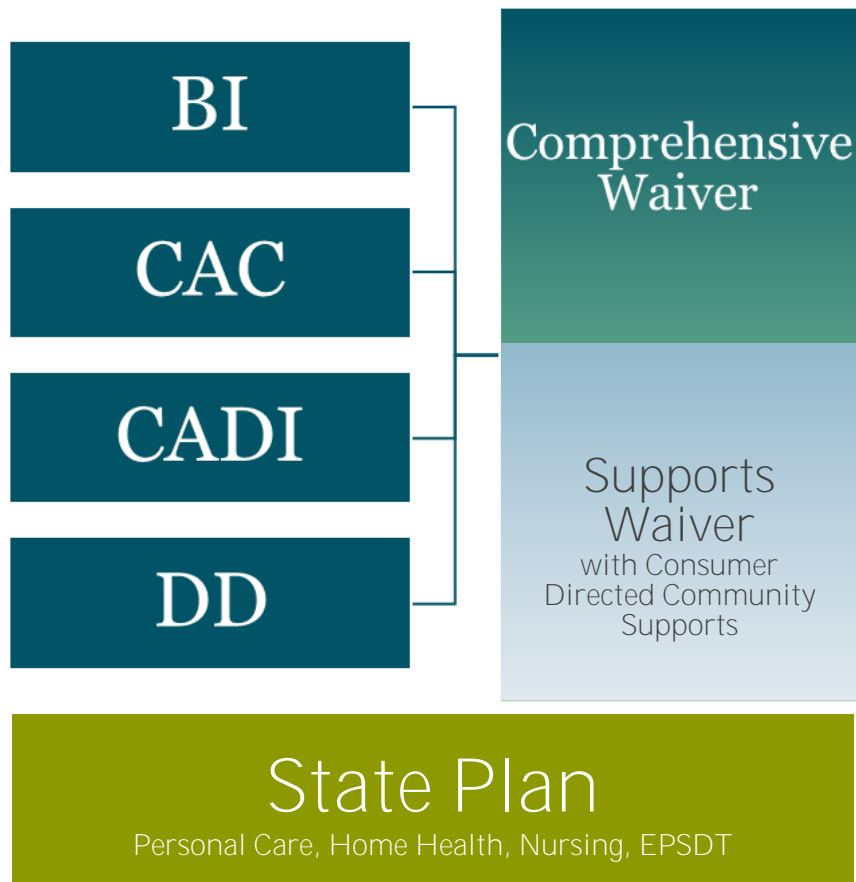
Reconfiguration Recommendation

Consolidation to a Supports Waiver and a Comprehensive Waiver

After considerable discussion and debate over the reconfiguration options presented in the previous section, the project team determined that the reconfiguration option that would best fit the vision presented by DSD and stakeholders would be a two-waiver solution as imagined in Option 1, presented in the previous section. This configuration entails use of two waivers—a Supports Waiver and a Comprehensive Waiver—that are focused on individuals living independently and at home with family and individuals living in paid residential settings, respectively. These waivers still **exist in the larger context of Minnesota’s Medicaid program, which the following graphic underscores serves as the basis of service offerings for people accessing Medicaid-paid disability services in Minnesota.** The movement from the current system to our proposed reconfiguration is visualized in Exhibit 13 below.

Exhibit 13

Transition from a Four-Waiver to a Two-Waiver System



In this configuration, individuals from all four current waivers would be served by either the Comprehensive Waiver or the Supports Waiver based on their living setting, and would receive supports commensurate with their assessed support need allocated through a support range framework. Caps in budgetary allocations, therefore, would be associated with support ranges, rather than through overall caps placed on the entire waiver.

Many services would be common to both waivers; however, services specifically geared toward the population served in each waiver would only be present on that waiver (i.e., paid residential supports only available on the Comprehensive Waiver). CDCS would only be available in this configuration on the Supports Waiver, based on current limitations in the use of this service option to individuals living in unpaid residential settings. It is proposed that changes be made to open up the ability to self-direct services without having to elect a fully self-directed service life, which the project team feels will serve to bolster the experience of individuals on this waiver and also act to attract individuals interested in pursuing self-direction.

To the maximum extent possible, the project team recommends that DSD build on the significant work it has already done to align its four existing waivers in terms of their overall mechanics and structure. Areas where this has already been achieved, and some where uniformity is not quite finalized, are observed in the report *Analysis of Minnesota's Disability Waivers*.⁹

Unless otherwise noted in the technical guidance and considerations that follow, it is the recommendation of the project team that the Comprehensive Waiver and the Supports Waiver be a mirror image of each other as much as is feasible for DSD. This will both help establish these waivers as different tracks of the same program, which drives equity, and reduces administrative burden for DSD.

This proposed reconfiguration solution is particularly recommended above others because it allows the state to target services to individuals living independently and at home with family, and to use this focus of the waiver to learn more about how to best serve this population. Because individuals in these settings will be served on their own waiver, DSD will be able to make changes to services, policies, or procedures based on stakeholder feedback that will only impact this group. Under a unified waiver configuration, any change made could potentially impact the entire waiver population. Utilizing a two-waiver structure allows DSD a finer degree of precision by holding groups separate based on where they live.

The differences between these two proposed waivers should not mean, however, that service users should have vastly different experiences in accessing and using these waivers. The project team recommends conceiving of the two waivers as comprising a singular waiver program, distinguished only by paths that meet naturally differing needs. Understood as a singular program, the burden of comprehending the ins and outs of numerous waivers is removed, and a simpler system is achieved, while still

⁹ Taylor, B., Kardell, Y., Agosta, J., Sowers, M., & Fay, M.L. Petner-Arrey, J., and Agosta, J. (2018) *Analysis of Minnesota's Disability Waivers*. Tualatin OR: Human Services Research Institute

allowing the state to maintain some useful differentiation of individuals with different needs to aid in administration.

To help achieve this, the project team recommends utilizing a common core of services across both waivers. Differentiation in service arrays between these two waivers should only fall in the ways it already does as a result of service limitations based on settings (i.e., individuals in paid-residential settings cannot currently, and would not in this configuration, be able to use CDCS, in-home family supports, home delivered meals, and other services). In this way, services are targeted on only those who would have access to them by rule. Services not limited by living setting would be available to individuals regardless of the waiver into which they are enrolled.

This structure may present opportunities for DSD to review their eligibility thresholds **to determine if they are calibrated in such a way as to incentivize the state's desired** policy objectives. Further, as individuals increasingly live in their own homes or with family and earn income, the state may wish to consider adjustments to the PETI as a **means to support the state's policy goals** and to calibrate personal needs allowances based on needs, which often differ by residential setting. For example, many states protect 100% of all earned income to ensure no disincentive to work for individuals in the waiver. In addition, many states differentiate the amounts protected based on living arrangement, recognizing that individuals living in their own homes or family homes may have more incidental expenses than those individuals who live in provider-owned/provider-operated settings. Maintaining two waivers differentiated by living setting will provide DSD the opportunity to review structures like these within each waiver to ensure that each waiver is positioned to best provide the outcomes the state wishes to see.

The project team also recommends that as it pursues and potentially implements this reconfiguration, DSD work with relevant stakeholder and advocacy communities to evaluate impacts from any reconfiguration changes and make determinations about their effects on particular populations. DSD should also continue to stay abreast of changes in population demographics of the populations that would be served by these waivers and ensure that the service arrays continue to meet their needs.

Best Fit With Goals

This configuration was selected because the team felt it demonstrated the best fit in overall policy goals, and in how its technical properties meet aims of the project. Chief among the goals this configuration would achieve are:

1. Simplification of the waiver service system—Aside from services and eligibility based on residential setting, these two waivers would be as closely aligned as possible to ease administrative operation and to be presented as a singular program. Service users would be presented with a unified program, with the differentiation between waivers primarily allowing for more precise

targeting of services to support needs for each population. Lead agencies would also benefit from this conceptual single program and would be freed from much of the consideration they must currently make about availability of waiver slots, best fit based on diagnostic need, and other considerations.

2. Balance of flexibility and control—The project team felt that this configuration offered the greatest flexibility for service users without sacrificing controls that DSD desires which allow them to manage movement of individuals into paid residential settings. Individuals with all levels of support need will be able to be served on both waivers, which allows service users to make choices in where they live and receive supports matched to their need based on availability and preference. Serving individuals with a full spectrum of support needs on the Supports Waiver, specifically, allows DSD to support people living independently or at home with family to the fullest extent, and without the limitations in overall resources that are often a hallmark of such waivers.
3. Improved ability to match resources with assessed need—By introducing support ranges to manage resource allocation within these waivers, DSD will be able to match the resources available on each waiver with the assessed needs of service users. Limitation in allocations will be managed by these support ranges, and not by a hard budgetary cap on either waiver. It is anticipated that aligning resources with assessed need in this way will allow DSD to offer the supports that are needed—no more, no less—to support the individuals it serves. Use of these support ranges that are integral to the function of these two waivers improves on the current resource allocation system. Currently, traditional waiver services and budgets derive from individual plans and judgement, rather than systematic policy. This makes for an inequitable system. In the case of CDCS, budgets are currently based on a regression model that ties specific assessment items and points of information to a budget. Support ranges will utilize entire scale scores from sections of the assessment to feed an overall picture of support need that can be met with a budget, allowing for a more holistic view of the individual to inform the budget that will be allocated to them.
4. Advancement of self-direction—As part of this reconfiguration, DSD has consistently underscored a desire to strengthen **the state's** self-direction program. Stakeholders reported that CDCS is one of the elements of the current waivers that works best for them currently. To avoid tampering with a good thing, but to expand on the opportunities that self-direction presents, the team concluded that as part of this reconfiguration, CDCS will continue to be available as a standalone program, but self-direction will also be proposed to be made available within traditional waiver services.

In the current system, individuals must select either entirely traditional services, or entirely self-directed services. Opening up opportunities for

individuals to self-direct traditional waiver services will allow more people to try self-direction without having to adopt it wholesale. Further, this will allow DSD to better track the services that people who self-direct use, which will enable DSD to make informed changes to better support the use of self-direction in the future.

5. Opportunity to monitor and improve programs to achieve greater sustainability—Associated with the ability this configuration offers DSD to make targeted adjustments to these waivers based on feedback and learning, there is also an opportunity to use improvements to create a more sustainable system. This might be achieved in a number of ways—from meeting support needs earlier on and with less costly service to incentivizing services that support greater independence or drive the use of natural supports. Through use of this configuration, individuals will be maximally supported to remain at **home with family or to live independently. This not only fits with DSD’s desire** to support families and promote independence, it also fits with overall system sustainability, as supports for individuals residing in unpaid residences are typically less expensive to deliver.

Further, the project team notes that it would also accomplish many of the original goals of the project:

- Benefit equity and access—Individuals with all need levels and diagnoses would be able to access this program as long as they can meet one of the four levels of care. Services from the four current waivers are combined, and in some cases reimagined, to better meet individual needs and reduce confusion in instances where services overlap.
- Benefit changes and predictability—Individuals are not forced to leave a waiver simply because their needs increase, although recognition of the need some individuals may have to move to residential facilities with a higher intensity of care is made and accounted for through reserved capacity. Use of two waivers in the same program allows DSD to better evaluate and adjust services for different populations without sacrificing equity, achieved by dividing the waivers along existing lines associated with service limitations.
- Benefit alignment—Considerable similarity in waiver structures is proposed, and a large number of services are shared between the two waivers. Operating both as a singular program drives home the commonality that would be shared between these two waivers in terms of structure and standards.
- Administrative simplification—Reducing the number of waivers and aligning the Supports Waiver and Comprehensive Waiver as two halves of the same reconfigured waiver program is intended to simplify the Medicaid long-term services system for stakeholders at all levels, from individuals who receive services to lead agency staff who administer them.

- Program management streamlining—Reducing the number of waivers, and structuring each in the same manner to the extent possible, will reduce some of the burden of operating multiple waivers.

In recommending this configuration, the project team offers particular direction and insights into various components of the waivers and their administration, offered in the following sections. While DSD may elect to structure these waivers as it desires, the following sections provide detail on some of the technical components that are integral to these waivers as described here, as well as considerations DSD should make in pursuing this reconfiguration.

Challenges

Although this recommendation meets a significant number of the goals of this project, **particular challenges associated with this structure will still require DSD's ongoing** attention. Chief among these are fiscal control and movement between waivers. Regarding fiscal control, the ability for DSD to utilize these structures in a financially feasible manner is dependent on the use of support ranges associated with service budgets. Although the existence of two waivers enables DSD to make targeted changes to the resources it offers to individuals should it need to make significant changes, this recommendation proposes that resources are allocated and managed through the framework being developed in Study II. If this framework is not put into place, DSD will need to give serious consideration to how it will manage resource allocation within these waivers.

Regarding movement between waivers, while the particular structure recommended which allows for individuals of all need levels to be served on both waivers is anticipated to reduce demand for paid-residential supports available on the Comprehensive Waiver, there will be less freedom for people to move from an unpaid living setting to a paid setting due to the separation between these waivers. This can be partially managed through utilizing reserved capacity for some number of individuals from the Supports Waiver to move to the Comprehensive Waiver. That said, utilization of two waiver structures with different service arrays will impose a boundary to access of the Comprehensive Waiver. The current moratorium on Corporate Foster Care has also created a significant restriction on movement into such settings, but the need to seek a place on the Comprehensive Waiver will be an additional gate through which individuals will need to pass. DSD will need to carefully monitor demand for movement between waivers and consider adjustments that may be needed as time goes by.

Pursuing reconfiguration of any sort also poses inherent challenges to any state in terms of the administrative burden as well as the communication efforts that must be made. Policies, regulations, and other guiding documents will need to be adjusted to reflect the reconfiguration, in addition to bringing about the actual waiver reconfiguration itself. These changes must be communicated clearly to stakeholders throughout the system. Stakeholders interviewed by UMN and met with directly by

DSD and the project team made clear their desire for better communication from DSD. While the project team believes that this reconfiguration speaks to many of the goals held by both DSD and its stakeholders, changes to the waiver structures themselves are unlikely to be readily understood as a method for meeting these ends. Put another way, the creation of a consolidated Supports Waiver and Comprehensive Waiver program does not itself concretely speak to flexibility in services; facets of the reconfiguration will need to be communicated to stakeholders—such as the ability for individuals with all levels of need to be served on each waiver, a clear path of movement for some number of individuals who need residential services, and a simplified and expanded service array—to make clear the ways in which this proposed reconfiguration can meet the goals of this project. Recommendations for how DSD should consider engaging in this transition and associated communication will be offered in a Transition Plan to be issued by the project team in the coming months.

Despite these challenges, and others that will certainly emerge, the project team feels that a reconfigured disability waiver program that utilizes a Supports Waiver and a Comprehensive Waiver carries with it benefits that outweigh the challenges. Making changes to Medicaid programs is never easy, but the team feels that this reconfiguration has the ability to meet many of the goals that stakeholders of all levels in Minnesota have articulated and which align with a vision for a better disability service system overall.

Fiscal Impact

This reconfiguration recommendation is made not only based on how it meets project goals, and for its structural capacities, but also for its anticipated fiscal impact. Although general financial impacts of various models were discussed with DSD, a formal analysis was only conducted on our recommended reconfiguration. This analysis, conducted by Burns & Associates, evaluates the anticipated financial impact of the proposed reconfiguration. Assumptions about changes in service use determined jointly by the project team and DSD that are anticipated to occur due to this reconfiguration are presented, and a total change in spending that would result is reported. Overall, we note that this reconfiguration has a relatively minimal fiscal impact, as service use patterns are not expected to change significantly due to this reconfiguration. This supports our recommendation of this reconfiguration.

Reconfiguring the disability waivers in any manner would have potential financial implications for the state. Costs could increase or decrease based on decisions relating to the construction of the new waivers. In particular, the project team identified potential financial impacts associated with three key elements of a waiver redesign:

1. Changes to the service array in the new waivers vis-à-vis the existing waivers
2. Service or budgetary limits to be imposed in the new waivers
3. Changes in the administration of the new waivers

Separate from the consideration of waiver consolidation or reconfiguration, the project team has been tasked with the development of an individualized budgeting approach for waiver enrollees. The results of that analysis—including the potential financial impacts—will be presented in a separate report focused on the topic of budgetary limits. Additionally, DSD intends to independently consider changes in the administration of the waivers. At the outset, there will be added administrative requirements to facilitate the reconfiguration, but this will be followed by reduced administrative burdens after reconfiguration is complete. Consequently, this report focuses on only the first of the three elements listed above: changes to the service array in the new waivers.

The project team has endeavored to limit the analysis to issues that result specifically from the recommended reconfiguration option. Programmatic trends or policy changes that are occurring independently of any potential waiver reconfiguration are intentionally excluded. For example, the analysis does not include a provision for caseload growth because such growth will occur regardless—whether under the existing four-waiver configuration or under a reconfiguration. Changes to payment methodologies, such as the banding of Disability Waiver Rate System (DWRS) frameworks, the unbundling of transportation from Day Training and Habilitation, and revisions to the framework for Customized Living services are excluded because they are existing initiatives. Recent or planned changes to the service arrays in the existing waivers are similarly excluded.

Exhibit 14 summarizes the projected financial impact of the recommended reconfiguration option.

Exhibit 14

Projected Fiscal Impact of Recommended Reconfiguration Option

Issue	Estimate (\$ in millions)	Notes
Changes to Service Array		
Residential services	\$0.0	No changes to current usage levels or rate determinations are anticipated
Personal supports	\$4.7	Increasing rates for current Supported Living (15 minute) and In-Home Family Support services
Personal Care Assistance	\$0.0	No changes to current usage levels are anticipated
Day and employment services	\$0.0	No changes to current usage levels or rate determinations are anticipated
Respite	\$0.0	No changes to current usage levels or rate determinations are anticipated
Consumer-Directed Community Supports (CDCS)	--	To be addressed via Study II of Waiver Reimagine
Medical and professional services	(\$0.1)	Savings associated with elimination of certain services

Other services	\$0.0	No changes to current usage levels or rate determinations are anticipated
Service and Budgetary Limits	TBD	To be addressed in Report 2
Administrative	TBD	DSD developing estimates
Total (items with estimates)	\$4.6	

Potential Financial Implications Associated with Changes to the Service Array

As shown in Exhibit 14, the financial impacts associated with changes to the service array in the new waivers are expected to be modest. This result is due to the efforts that DSD has undertaken in recent years to harmonize the service arrays across the four existing disability waivers. A number of these changes have occurred recently, and any resultant costs or savings may not yet be fully realized. Other changes remain in the planning stage but are proposed to occur as an interim step in advance of any reconfiguration of the waivers. Since these changes have occurred or will occur irrespective of the potential reconfiguration of the waivers, the costs are not being ascribed to the reconfiguration. Given that service arrays have been largely—though not entirely—standardized across the four waivers and that only modest changes to the service arrays are envisioned in the new waivers, significant impacts to existing service utilization and costs are not anticipated.

This review considered each service recommended for inclusion in the new waivers to those that are currently covered. To organize the analysis, each service was assigned to one of eight service groupings:

1. Full-time residential services, such as Corporate and Family Foster Care, Corporate and Family Supported Living, and Customized Living;
2. Personal supports, such as Adult Companion Services, In-Home Family Support, Independent Living Skills Training, and Homemaker Services;
3. Personal Care Assistance;
4. Day and employment services, such as Day Training and Habilitation, Adult Day Care, and Supported Employment;
5. Respite;
6. Consumer-Directed Community Supports (CDCS);
7. Medical and professional services; and
8. All other services not included in the previous categories, including Environmental Accessibility Adaptations and Specialized Medical Equipment and Supplies.

For each service, this review considered potential impacts according to three metrics:

1. The usage rate is the number and proportion of waiver enrollees who choose to use a service.
2. The usage amount is the number of units of service that a service user receives.
3. The average payment rate is the average per-unit rate paid to service providers.

Burns & Associates' prior report, *Analysis of Service Use and Spending*, summarized service utilization across each of the eight groupings. Using these three metrics, the report found significant differences in utilization across the four disability waivers. For example, individuals enrolled in the DD Waiver are more likely to use day and employment services and, when they use the services, they tend to use a greater amount than individuals enrolled in the other waivers. Based on discussions with DSD, counties, and stakeholders, these differences are generally understood to be due to individual preferences rather than to differences in the administration of the waivers. As a result, the potential consolidation of waivers is not anticipated to affect the use of services in these instances.

No significant financial implications are projected for the residential services grouping, which is the largest category of current spending.

The primary services within this grouping are Corporate Foster Care/Supported Living and Family Foster Care/Supported Living. These services are currently covered by all four disability waivers. There are significant differences in usage rates in the existing waivers as BI and DD Waiver enrollees are substantially more likely to use these services than those enrolled in the CAC and CADI Waivers. There are differences in the average payment rate for these services across the four waivers, but the rate frameworks are identical. Since the rate frameworks for these services are customizable based on individual needs, individual payment rates not expected to change in a consolidated waiver.

Two new residential services—Life Sharing and Integrated Community Supports—are currently in development and would be offered on the reconfigured Comprehensive Waiver. DSD is in the process of developing the requirements and rates for the service so their potential fiscal impacts are not yet known. There will be costs associated with any individual who opts to receive the service, but there may be savings that offset some or all of the cost if these individuals are currently relying on other services that they would no longer need.

As noted earlier in this report, the existing disability waivers cover a number of services within the personal supports service grouping that are similar, including Independent Living Skills Training, Supported Living Services billed in 15-minute increments, In-Home Family Support, and Individualized Home Supports. The reconfiguration option would collapse these to two services: Individualized Home Supports with Training and Individualized Home Supports with Individual and Family Training. Although the existing services provide comparable supports, they have different rate frameworks. In the reconfiguration option, these services would

employ the current Individualized Home Support rate framework, which is the highest of the rates. Thus, there will be a cost to transition the current Supported Living Services and In-Home Family Support services to the higher rate. Specifically, Supported Living Service rates would increase nearly 13 percent (an increase of \$3.0 million) while In-Home Family Support rates would increase by almost 5 percent (an increase of \$1.7 million). No changes to usage rates or usage amounts due to the reconfiguration are anticipated.

The recommended reconfiguration would combine the existing Personal Support and Adult Companion services into Individualized Home Supports to be reimbursed according to the rate framework used for the current services, so the average rate would not change. It is possible that some existing Independent Living Skills Training services would be reclassified as Individualized Home Support since a simple personal care type service (outside of Extended Personal Care Assistance) is only available in the DD Waiver. This would reduce costs, but no such savings are incorporated in this analysis.

The reconfigured waivers would eliminate the Homemaker with Personal Care service for which only \$1.5 million was billed in fiscal year 2017. This analysis assumes that these services will transition to other Homemaker services at the same rate so there will be no change in costs. If the services migrated to the Individualized Home Support service described above, there would be an estimated cost increase of \$0.3 million.

Extended Personal Care Assistance is currently covered by all four waivers with the same policies, procedures, and rates. No changes to these services are envisioned in the reconfigured waivers so no financial impacts are anticipated.

As discussed earlier in this report, several changes to day and employment services are recommended as part of the waiver reconfiguration in order to bring consistency to the various services currently available in the four waivers. These services, however, already share a common rate framework so their consolidation will not change the rates paid. Further, the differences in usage rates and amounts across eligibility groups observed in the service use report are expected to continue as they are believed to result from individual choice rather than differences in how the waivers are administered.

The various In-Home and Out-of-Home Respite services are currently covered by all four waivers with the same policies, procedures, and rates. No changes to these services are envisioned in the reconfigured waivers so no financial impacts are anticipated.

There are presently two different formulae for individuals who choose Consumer-Directed Community Supports: one for DD Waiver enrollees and another for those enrolled in the other three disability waivers. A single approach will be needed in the reconfigured waivers. Rather than adopting or updating one of the existing formulae, however, it has been recommended that CDCS be subject to the individual budgets

being developed as part of that study. The associated cost estimate will be presented **in that study's report.**

Within the Medical and Professional service grouping, several seldom-used services have been recommended for removal in the reconfigured waiver system: Independent Living Skills Therapies, Extended Occupational Therapy, Extended Physical Therapy, and Extended Respiratory Therapy. Total spending on these services was only slightly more than \$100,000 in fiscal year 2017, so the savings will be minimal. The reconfigured waivers would cover Extended Home Care Nursing. This is a service not currently available to DD Waiver enrollees, but it is assumed that use of these services by this population will be minimal so no cost has been estimated.

Nearly all of the services in the other services grouping are already covered by all four disability waivers. Few changes to these services are envisioned in the reconfigured waivers so no financial impacts are anticipated.

Change Recommendations and Considerations

The following elements of the proposed reconfiguration are presented to document specific **changes that would need to be made based the project team's** recommendation, as well as considerations that DSD should keep in mind as it pursues reconfiguration. DSD has already undertaken considerable work to align its four current waivers, much of which has been reflected in *Analysis of Minnesota Disability Waivers* report.¹⁰ In fact, this document points to many of the areas DSD will need to finalize in order to unify aspects of the waiver, such as with service definitions, provider qualifications, and performance measures, where minor differences will need to be reviewed and altered in order to achieve maximum similarity within the two waivers of this program. It also notes areas where uniformity has already been achieved. Such areas are anticipated to remain the same in reconfiguration, and so guidance on them is not offered here. These include a number of waiver elements, such as:

- Waiver Administration and Operation¹¹
- Participant-Centered Service Planning and Delivery
- Participant Rights
- Participant Safeguards
- Financial Accountability
- Cost-Neutrality Demonstration

¹⁰ Taylor, B., Kardell, Y., Agosta, J, Sowers, M, & Fay, M.L. Petner-Arrey, J., and Agosta, J. (2018) *Analysis of Minnesota's Disability Waivers*. Tualatin OR: Human Services Research Institute

¹¹ The primary change associated with Waiver Administration and Operation will result from the creation of individualized budgets, part of Study II. Therefore, while this will likely change, such changes are not discussed in this report.

Technical elements and additional considerations presented below cover advisement from the project team about the following elements of a reconfigured system:

Technical

- Eligibility and Targeting
- Service Array
- Reserved Capacity
- Consumer-Directed Supports

Additional considerations related to the proposed reconfiguration

- Waiver Determination
- Administrative Considerations
- Statewide Context

Eligibility & Targeting

The four different Levels of Care associated with each waiver would all be utilized within each of these waivers, causing effectively no change in eligibility requirements for current or future service users. This is done to maximize the ability for individuals to meet Level of Care, and to create unity between the two waivers, which as has been described, exist more as two routes of a singular program than two distinct programs.

Exhibit 15

Current Configuration LOC	Proposed Waivers	
BI: Neurobehavioral hospital OR specialized nursing facility	Supports Waiver	Comprehensive Waiver
CAC: Hospital	Neurobehavioral hospital OR specialized nursing	Neurobehavioral hospital OR specialized nursing
CADI: Nursing	facility; or	facility; or
DD: ICF/DD	Hospital; or Nursing; or ICF/DD	Hospital; or Nursing; or ICF/DD

Similarly, target groups would encompass all those currently found across the four waivers.

Exhibit 16

Current Configuration Target Groups	Proposed Target Groups on Both Waivers
BI: <i>Primary</i> : Aged or Disabled, or Both. <i>Subgroup</i> : Brain Injury	1. <i>Primary</i> : Aged or Disabled, or Both. <i>Subgroup</i> : Brain Injury; and
CAC: <i>Primary</i> : Aged or Disabled, or Both, General <i>Subgroup</i> : Disabled (Other)	2. <i>Primary</i> : Aged or Disabled, or Both, General <i>Subgroup</i> : Disabled (Other); and
CADI: <i>Primary</i> : Aged or Disabled, or Both, General <i>Subgroups</i> : Disabled (Physical) and Disabled (Other)	3. <i>Primary</i> : Aged or Disabled, or Both, General <i>Subgroups</i> : Disabled (Physical) and Disabled (Other); and
DD: <i>Primary</i> : Intellectual Disability or Developmental Disability, or Both <i>Subgroups</i> : Intellectual Disability and Developmental Disability	4. <i>Primary</i> : Intellectual Disability or Developmental Disability, or Both <i>Subgroups</i> : Intellectual Disability and Developmental Disability

Currently, three of the four (BI, CAC, and CADI) waivers have target age groups of 0-64, while DD allows individuals of any age. This criteria could be retained on both waivers in a Supports Waiver and Comprehensive Waiver solution, or DSD could elect to alter some or all of the target group age ranges as desired to create uniformity, or based on other preferences. Based on changing demographics of individuals with TBI on a national scale¹², and in consultation with project team consultant Dr. John Corrigan, the project team recommends that DSD consider lifting the age restriction on individuals meeting neurobehavioral hospital or specialized nursing facility LOC, in recognition that these individuals are living longer than ever, and will likely continue to require services more specific to their needs than they may currently be able to get on the Aging Waiver onto which they must presently move at age 65.

Post-eligibility and Regular Post-eligibility treatment of income are the same across all four waivers currently, and so no change would be required in a reconfiguration to a Supports and a Comprehensive Waiver; however, as noted, these could be adjusted should DSD wish to do so to better align with agency priorities. Over time, the state may wish to continually evaluate its eligibility and post-eligibility processes to ensure **continued alignment with the state’s overarching policy objectives.**

DSD will likely want to consider adding some additional language into the Comprehensive Waiver targeting criteria that helps to ensure that individuals accessing this waiver do so because of demonstrated support need for receipt of services in paid residential settings. DSD has made clear their desire to serve people

¹² Cuthbert, J. P., Corrigan, J.D., Whiteneck, G.G., Harrison-Felix, C., Graham, J.E., Bell, J.M., Coronado, V.G. (2012). Extension of the Representativeness of the Traumatic Brain Injury Model Systems National Database: 2001 to 2010. *Journal of Head Trauma Rehabilitation*, November-December. E15-27. doi: 10.1097/HTR.0b013e31826da983

with appropriate services to their needs, but to the extent possible, wishes to promote the ability of people to have these needs met in the most independent settings possible. Specifying within the waiver that need should drive access of the Comprehensive Waiver will help achieve this.

Service Array

A considerable amount of time and consideration was given to selection of the services that would be made available in any consolidation plan. In many cases, services were the same across multiple waivers. In these cases, the services will continue to be available in the reconfiguration. The team notes, however, that DSD should review differences in service definitions identified in *Analysis of Minnesota Disability Waivers* and make determinations about how to create singular definitions for use with these services on each waiver proposed here.

Exhibit 17, which spans the following pages, contains services as they appear on the current waivers, and as they would be named and aligned with the proposed waivers. Two additional services, Life Sharing and Integrated Community Supports are included because they are anticipated to be added to the array, however their addition is not part of the reconfiguration study.

Exhibit 17

Current Waivers	Comprehensive Waiver	Support Waiver
24-Hr Emergency Assistance		24-Hr Emergency Assistance
Adult Day (& FADS)	Adult Day Services (55+ & Grandfathered)	Adult Day Services (55+ & Grandfathered)
Assistive Technology	Assistive Technology	Assistive Technology
Caregiver Living Expenses		Caregiver Living Expenses
Case Management	Case Management	Case Management
Chore Service		Chore Service
Consumer Directed Community Supports (CDCS)		Consumer Directed Community Supports (CDCS)
Corporate Foster Care/Residential Habilitation: Supported Living Service Adult & Child	Community Residential Services	
Crisis Respite	Crisis Respite	Crisis Respite
Customized Living (Currently billed as 24 Hour Customized Living & Customized Living)	Customized Living (single billing code)	
Day Training & Habilitation/Structured Day Program	Day Support Services	Day Support Services
Employment Development	Employment Development	Employment Development
Employment Exploration	Employment Exploration	Employment Exploration
Employment Support	Employment Support	Employment Support
Environmental Accessibility Adaptations	Environmental Accessibility Adaptations	Environmental Accessibility Adaptations
Extended Home Health Care	Extended Home Health Care	Extended Home Health Care

Current Waivers	Comprehensive Waiver	Support Waiver
Extended PCA		Extended PCA
Extended State Plan Nursing	Extended State Plan Nursing	Extended State Plan Nursing
Family Foster Care/ Residential Habilitation: Supported Living Service Adult & Child	Family Residential Services	
Family Training & Counseling	Family Training & Counseling	Family Training & Counseling
Home Delivered Meals		Home Delivered Meals
Homemaker (excluding PCA option)		Homemaker (excluding PCA option)
Housing Access Coordination	Housing Access Coordination	Housing Access Coordination
Independent Living Skills Training, Supported Living Service (billed at 15 min), Individualized Home Supports		Individualized Home Supports with Training
In-home family supports		Individualized Home Supports with Individual & Family Training
Night Supervision		Night Supervision
Personal Support, Adult Companion		Individualized Home Supports
Positive Support	Positive Support	Positive Support
Prevocational Services	Prevocational Services	Prevocational Services
Respite		Respite
Specialist Services	Specialist Services	Specialist Services
Specialized Equipment & Supplies	Specialized Equipment & Supplies	Specialized Equipment & Supplies
Transitional Services	Transitional Services	Transitional Services
Transportation	Transportation	Transportation
	Life Sharing	
	Integrated Community Supports	

Information regarding fiscal implications related to this service array is provided in the Fiscal Analysis. Nineteen of the total 35 services are shared by the two waivers. Services unique to the Comprehensive Waiver and the Supports Waiver are associated with each based on current restrictions on the receipt of these services, which created natural lines of division in services. For instance, 24-Hour Emergency Assistance, Caregiver Living Expenses, Chore Services, Home Delivered Meals, Homemaker, and a number of the independent personal supports are currently only available to individuals living independently or at home with family or a designated caregiver. These services, consequently, would only be offered on the Supports Waiver, as individuals residing in paid-residential services and utilizing the Comprehensive waiver would be ineligible for them, and therefore would not utilize these services. Likewise, services currently only available to people living in paid-residential settings are proposed only to be offered on the Comprehensive Waiver, as individuals not residing in these settings cannot access these services and would therefore not be anticipated to utilize them. Extended PCA is proposed to only be offered on the Supports Waiver, as individuals residing in paid residential settings should have their personal support needs met through other services specifically available as a part of that living arrangement.

Reserved Capacity

Because this reconfiguration creates a barrier to individuals who may wish to move into paid residential settings by making these available only on the Comprehensive Waiver, DSD will wish to manage some amount of anticipated demand through use of reserved capacity. Minnesota currently has reserved capacity on its CADI waiver for conversions and a lack of local capacity for diversions, and on its DD waiver for people moving from ICF/DDs as well as for emergency enrollments.

In pursuing this reconfiguration, DSD may maintain such reserved capacity, but it should also consider reserving some amount of the waiver for individuals who need to move from independent or family living settings to paid residential settings. As noted elsewhere in this report, need should drive this movement. Maintaining reserved capacity for this population is one way that DSD can help to manage this need and create a simple and fluid path for people who need residential services to move into these settings.

DSD should monitor demand for such movement and adjust reserved capacity accordingly. It will be up to the state to determine how much movement onto the Comprehensive Waiver it can afford and that it wishes to offer through this mechanism. If the spaces set aside through reserved capacity are totally filled, there is a potential for a waitlist to form for this waiver. Monitoring demand and use of reserved capacity, therefore, will be important for DSD to do.

As noted previously, however, the project team anticipates that by allowing individuals at all support ranges to access the Supports Waiver, and receive resources commensurate with their needs, demand for movement into paid residential service

settings will not change dramatically from current levels. Nevertheless, DSD has made very clear that it wishes to facilitate necessary movement in the least burdensome way to service users. Utilizing reserved capacity provides such a method.

Consumer-Directed Supports

CDCS is currently only available to individuals living independently or with family/a guardian. Because it is proposed that CDCS only be offered on the Supports Waiver, this would continue to be the case. The only tangible change is the waiver on which it would be offered.

Because strengthening CDCS was a goal for DSD, however, it is proposed that in reconfiguration, certain services be opened up for self-direction through a **“participant-directed” option for individual services. It will be up to DSD to determine** which services it would like to open up for self-direction and the reimbursement rate for such services—though the team understands that if this is pursued, DSD would likely reimburse at the same rate as provider-managed services. Doing this would allow DSD to gather better data about the services people use in self-direction than is currently available.

Further, it may help to drive self-direction in Minnesota. Currently, if an individual wishes to self-direct, they must do so for all of their services (barring case management). Allowing individuals to self-direct some services may attract those who are unsure, providing them a path to try self-direction without having to make a wholesale change. Expanding self-direction may also have the effect of enabling more service users to access services not otherwise available to them based on provider shortages or distance from the service, because self-direction allows individuals to select who will provide the service for them.

Waiver Determination

The project team anticipates that because of the targeted service arrays available on each of these waivers, placement of individuals on a waiver will happen rather naturally. Individuals living independently and at home with family will gravitate toward the Supports Waiver and the services it offers, while individuals in paid residential settings will gravitate towards the Comprehensive Waiver, which offers supports in these settings not available in the Supports Waiver.

It will be important for DSD to lay in some expectations within the Comprehensive Waiver within the additional targeting criteria to ensure that the needs of individuals are driving the access to out-of-home services. Additionally, DSD will need to continuously review how the Supports Waiver is being used and engage with individuals utilizing these supports. It will be particularly useful to engage with individuals who may wish to move from the Supports Waiver to the Comprehensive Waiver, and to discern if there are additional services or changes that could be made

on the Supports Waiver that would enable these individuals to continue to live more independently and be served on this waiver.

It will also be important that DSD offer strong guidance to case managers and planners regarding this program, and the functionality of the two waivers within it. Case managers and planners are in many ways the outward face of any program that DSD may create. Ensuring that they understand how the program works and can serve as guides to individuals accessing it will be crucial to its success. Indeed, presenting these waivers as two parts of a singular program will be important to do with case managers and planners so that they in turn may help make this clear to service users.

The reconfiguration recommended by this project team was created to allow DSD to best serve individuals based on their needs. Utilizing two waivers that allow services specific to different needs to be offered to individuals with all levels of need is a way of doing this without preferencing one group over the another. The idea of this reconfiguration is to leverage these two waivers to target services and to gain the opportunity for DSD to learn how to better serve both populations. Ensuring that case managers and planners understand this intent and can communicate it effectively is essential—so that service users understand how the program works and which waiver will best meet their needs.

Administrative Considerations

ADMINISTRATIVE CHANGES

Any strategy related to waiver reconfiguration will necessarily result in redefining the administrative roles necessary to support effective waiver operations. These operations, at the state and county level, may shift or require additional or different skill sets to accommodate a new approach to the delivery of HCBS. Consequently, the decisions around waiver redesign should include concomitant evaluation of all necessary administrative support functions to ascertain what elements may require modification to effectively transition to and sustain any new waiver configurations.

The broad distribution of functions between the state and the counties may be impacted by a reconfiguration effort in addition to the myriad of underlying activities that comprise the day-to-day operations of the waiver. This will necessitate a clear articulation of evolved roles and responsibilities and a careful level of scrutiny to ensure that all eligible administrative functions are captured and categorized for optimal federal financial participation.

This review will be particularly important for DSD to undertake as it pursues additional changes to resource allocation frameworks associated with Study II of the Waiver Reimagine project. Understanding how waiver redesign and framework adjustments will impact overall waiver administration at the state and county levels will likely be a process DSD develops and evaluates over time, guided by the pace and

nature of implementation of recommendations in these reports as well as other work being undertaken that will impact the shape of the system in the coming years.

Particular areas that DSD should consider reviewing are listed in the following table.

Exhibit 18

Function
Participant waiver enrollment
Waiver enrollment managed against approved limits
Waiver expenditures managed against approved levels
Level of care evaluation
Review of participant service plans
Prior authorization of waiver services
Utilization management
Qualified provider enrollment
Execution of Medicaid provider agreements
Establishment of a statewide rate methodology
Rules, policies, procedures and information development governing the waiver program
Quality assurance and quality improvement activities

In addition, it will be advantageous for Minnesota to undertake a detailed statutory, regulatory, financing, policy and procedure review to map any changes necessary to implement a redesigned waiver approach. These elements, **depending upon the state’s** ultimate design decisions and transition strategy, may change incrementally to accommodate a smooth transition, minimizing any potential disruption to the service delivery system.

ADMINISTRATIVE CLAIMING AND PAYMENT ARRANGEMENT CONSIDERATIONS

Minnesota has a long history of successful identification of administrative functions eligible for federal financial participation, and, as noted above, any reconfiguration effort should entail a careful inventory of existing administrative activity configurations and claiming approaches to enable a thorough revision as necessary to support the waiver system redesign. Title XIX of the Social Security Act (the Act) authorizes federal grants to states for a proportion of expenditures for medical assistance under an approved Medicaid state plan, and for expenditures necessary for administration of the state plan. This joint federal-state financing of expenditures is described in section 1903(a) of the Act, which sets forth the rates of federal financing for different types of expenditures. Administrative activities are those functions that **are “found necessary by the Secretary for the proper and efficient administration of the state plan.”**

Outreach, eligibility, certain case management activities, quality oversight, utilization review and other functions necessary for administration of an HCBS waiver program are functions eligible for administrative claiming to the extent that the functions performed comport with the following requirements:

- Costs must be “proper and efficient” for the state’s administration of its Medicaid state plan (Section 1903(a)(7) of the Act).
- Costs related to multiple programs must be allocated in accordance with the benefits received by each participating program (OMB Circular A-87, as revised and now located at 2 CFR 200). This is accomplished by developing a method to assign costs based on the relative benefit to the Medicaid program and the other government or non-government programs.
- Costs must be supported by an allocation methodology that appears in the state’s approved **Public Assistance Cost Allocation Plan (42 CFR 433.34)**.
- Costs must not include funding for a portion of general public health initiatives that are made available to all persons, such as public health education campaigns.
- Costs must not include the overhead costs of operating a provider facility.
- Costs must not duplicate payment for activities that are already being offered or should be provided by other entities or paid through other programs.
- Costs may not supplant funding obligations from other federal sources.
- Costs must be supported by adequate source documentation.

In order to submit claims to CMS for administrative case management functions, **these activities must be included in the state’s approved** cost allocation plan. The state Medicaid agency should consult with CMS Regional Office Financial Management analysts in developing administrative claiming methodologies, to confirm which activities are allowable and whether the allocation method is reasonable. Generally, states will want CMS to approve specifically the methodologies, so that there will not be disputes or disallowances later (and cost allocation plans for government entities generally must be submitted for approval to the HHS Division of Cost Allocation). The **state’s administrative claiming methodology must adhere to the cost determination** and allocation guidelines for state, local and Tribal governments in the administration of federal grant awards 45 CFR Part 75, the Uniform Administrative Requirements, Cost Principles and Audit Requirements for HHS Awards. States have significant flexibility to determine the method of payment to the entities providing case management through contractual agreements or other arrangements under administrative claiming authority.

Any reconfiguration of waiver structures and the functions that support them should be accompanied by a detailed inventory of administrative efforts to ensure that the **full panoply of eligible activities is included in the state’s approved cost allocation plan. It is prudent to consider a mapping of “as is” administrative activities and, once**

the state charts the course for the “to be” waiver structure. This exercise will assist in ensuring that all claimable activities are identified and may also assist the state in understanding any potential areas of gap or overlap that require remediation.

Any reconfiguration effort should be accompanied by a detailed inventory of administrative efforts to ensure that the full panoply of eligible activities is included in the state’s approved cost allocation plan.

Section 1903 of the Social Security Act specifies the level of administrative reimbursement for various administrative functions. Typically, administrative activities are reimbursed at a 50% federal reimbursement rate. However, there are certain functions that garner an enhanced level of federal financial participation (FFP). Enhanced federal administrative match of 75% may be available for these activities if they are part of a medical and utilization review performed by certain utilization and quality control peer review organizations under subsections (b)(6)(i) and (b)(10) of 42 CFR 433.15. Likewise, the state may also pursue the availability of 90% federal match for expenditures related to development of an automated data processing (ADP) system through the advanced planning document (APD) process **under 42 CFR 433.112(a). This may be an important consideration if the state’s** planned reconfiguration efforts require data system evolution or enhancement. In addition to these functions, states may also receive enhanced administrative match related to the pre-admission screening and resident review (PASRR) process. This critical function is essential to ensure that improper nursing facility admissions are avoided for individuals with intellectual and developmental disabilities and individuals with mental health support needs.

ALTERNATIVE PAYMENT ARRANGEMENTS

In most Medicaid programs, including HCBS waivers, payment is made directly from the State Medicaid Agency to the provider of services. There are alternative payment arrangements that are permissible in Medicaid, however. One such alternative payment arrangement allows for a reassignment of direct payment to a provider to a governmental entity (e.g., State Aging Agency, county, others). Medicaid payments are then made to this agency. Under a separate agreement, the governmental unit to which Medicaid payment has been assigned agrees to pay the provider for services furnished to Medicaid-eligible persons on the waiver. Often the governmental unit involved is also employed by the Medicaid agency to assist in the fiscal and programmatic oversight of the waiver program. For example, the governmental unit **may be employed by Medicaid to compare the provider’s bills to the individuals’ plans** of care to determine whether services billed were the same as services authorized in the plans.

Any reassignment of Medicaid payments must be voluntary on the part of the provider. The State cannot mandate reassignment. Moreover, when reassignment is made the preferred reimbursement methodology, the State must continue to make

provision for direct payment of claims submitted by providers who do not choose to reassign their rights. In addition, the State may not make such reassignment a **provider qualification (because it does not relate to a provider's ability to furnish a Medicaid service)**, and the State may not restrict an individual's choice of provider to those who have reassigned claims to a governmental agency.

Multiple reassignments are possible (e.g., provider reassigns to the County agency, which reassigns to the State agency). However, each entity to which reassignment is made (this does not include the actual provider) must be an agency of State or local government.

An important consideration in any reassigned payment arrangement is that the governmental agencies may not profit by this reassignment in any way that is related to the amount of compensation furnished to the provider (e.g., the agencies may not deduct 10 percent of the payment to cover their administrative costs). To do so would **place the agency in the position of "factor" as defined in 42 CFR 447.10(b). Under 42 CFR 447.10(h), payment to "factors" is prohibited.**

A provider who has voluntarily chosen to reassign claims to a governmental agency **must be free to cancel the arrangement at any time. An individual's receipt of services may not be predicated in any way upon a provider's willingness** (or unwillingness) to reassign his/her rights to payment to a governmental entity.

STATEWIDE CONTEXT

Under this approach, it is anticipated that the roles and responsibilities of lead agencies (counties and tribal agencies) will undoubtedly change. Lead agencies are currently responsible for administering the four disability waivers including determining eligibility and enrollment into a particular waiver. This process will be simplified as enrollment into one of the two waivers will be driven primarily by an **individual's current or anticipated living setting. In addition, lead agencies will** experience a significant change with respect to how budgets are constructed and managed at the individual service level as well as the lead agency level. The impacts on fiscal management are a result of the introduction of the supports range framework model which is proposed as part of the reconfiguration effort but is the primary focus of Study II. Implementing this level of change across these existing service structures will require close collaboration and communication with lead agencies.

As previously mentioned in this report, Minnesota is planning to implement the Community First Services and Supports (CFSS) program, which will expand the availability of community-based services offered under the state plan to much of the same service population that is being considered in this study. Therefore, any changes as a result of that program will require careful consideration as to how individuals and their families will navigate either or both options. Since the CFSS program has been in development for quite some time and is pending submission and approval from CMS, it is expected that the program will launch prior to reconfiguration of the waiver structures. After implementation of CFSS, it will be easier to assess the

impacts to the proposed waiver reconfiguration option, such as how many people are expected to access the waiver program and for what types of services and supports. For example, if an individual can receive personal care supports through the CFSS option, they may only turn to waiver supports for a subset of services that are available only on the waiver.

The planned updates to the MnCHOICES assessment tool will require additional work and time to reassess individuals with the updated version, update the preliminary support range framework developed as part of Study II, and redo the fiscal analysis based on the updated assessment data. This must be accomplished in advance of implementing the support range framework. The support range system is dependent on responses to particular items in the MnCHOICES tool that are used to determine support range assignment. If any part of the assessment is altered, it is necessary to reevaluate the framework and assess the impact of the changes. Even seemingly minor changes to the tool constitute a reevaluation of the framework. For example, if response options for a required item are changed, it may alter the scoring of that item and the support range algorithm would need to change—and the impacts would need to be assessed to ensure that support ranges were correctly assigned.

While not directly within the scope of this study, there are several other compounding factors that are likely to impact the reconfiguration effort. These factors include:

- The Case Management Redesign effort. The effort, currently underway in Minnesota, will need to identify ways in which that initiative can integrate with and support the coordination of services and supports under a new waiver structure.
- Workforce shortages. These shortages were a common theme among all levels of stakeholders, and the inability to locate and employ qualified staff was worrisome.
- Communication strategy. DSD will need to develop and employ a robust communication strategy that provides multiple avenues for information sharing and feedback in a timely manner. This includes the development of consistent messaging and policies and procedures necessary to guide direction of the proposed change.



Conclusion and Next Steps

The recommendation of a two-waiver solution is made in this report after considerable review of available options, systemic realities in the state of Minnesota, stakeholder input, and conversation with DSD about the solution that will best fit the needs of stakeholders at all levels in Minnesota. This solution is recommended to function as a singular program that will meet the needs of individuals with appropriate services by use of a two-waiver configuration that will allow the state to focus services on groups based on differences in support needs based on where they live.

This solution answers consistent and firm requests for a simpler waiver service system, as well as a system that allows for greater flexibility in the manner in which **individual's** needs are met.

In this proposed configuration, individuals with all levels of need can be served on the waiver appropriate to their living setting; they need not change waivers simply because their needs increase beyond a particular financial threshold, as is common in many companioned Supports and Comprehensive waiver systems. Individuals with dual-diagnoses or other types of needs who formerly had to decide which waiver to pursue based on diagnostic differences will no longer need to make such decisions; instead, they can be served with an array of services intended to meet the needs of individuals with many different types of support needs. The project team anticipates that as the system matures, DSD will continue to evaluate the efficacy of this program and will be positioned to make adjustments to these services as they are needed so that they can best serve the individuals who utilize them.

Communicating the ways that this proposed reconfiguration speaks to the goals of this project and is intended to improve the experience of waiver access for individuals will be crucial to its success. Further, ensuring a planful and carefully executed transition from the current waivers to the recommended reconfiguration will also be important to the success of this proposed program, and will be crucial to communicate clearly to stakeholders who will be affected by these changes. The project team will next turn its attention to addressing this transition and will provide recommendations on how DSD might best pursue this.

Appendices

Appendix A: Benefits & Challenges of Option 1: Unified Waiver

Description of Option	Benefits	Challenges
Consolidating four current disability waivers (BI, CAC, CADI, DD) into one 1915(c) waiver.	Achieves the goal of simplifying the disability waiver structure by combining all four waivers under one 1915(c).	Reduces the ability to apply controls and limits that currently exist due to the natural separation between waivers, which may result in substantial impacts on costs. Administrative structures will need to be in place to efficiently manage the overall budget. While it offers simplicity in the administration of a single waiver, the policies and procedures necessary to instill some capabilities for control may add a layer of complexity.
Evaluation Criteria	Benefits	Challenges
Equity and access Responsiveness to the person’s needs, preferences, and circumstances regardless of diagnostic classification or waiver enrollment.	<ul style="list-style-type: none"> Waiver recipients have access to any service available within the array to meet their needs. 	<ul style="list-style-type: none"> The service array must be robust enough to meet the needs of people with a variety of disabilities and support needs. Under a unified waiver, the real or perceived advantage of specialization by diagnostic classifications may be dissolved.
Changes and predictability Recognition of life changes and increased emphasis on technology, environmental modifications, and adaptive aids.	<ul style="list-style-type: none"> Under a unified waiver, recipients have greater flexibility to move into different living settings depending on life changes. The service array, available to all, can offer access to innovative technology solutions, environmental modifications, and adaptive aids. 	<ul style="list-style-type: none"> Greater flexibility to move among living settings may have the unintended consequence of increased reliance on paid residential models. Without an understanding of latent demand for these residential options, estimating fiscal impacts will be difficult.
Benefit alignment Common service menus, uniform standards, and consistent limits across waiver programs.	<ul style="list-style-type: none"> One service menu available to all waiver recipients. 	<ul style="list-style-type: none"> Arriving at a single service array requires making decisions regarding inclusion/exclusion criteria for services that are not currently offered across all waivers. Some services that are currently available on one or more waivers may be discontinued under the unified waiver. Some services may be available under the unified waiver that were not offered within other waivers and service use may be difficult to predict for those who are newly eligible.

Evaluation Criteria	Benefits	Challenges
<p>Administrative simplification Making waivers easier to understand for consumers and to implement by local lead agency staff, including clear roles of the state and delegated agents in the administration of the waiver programs.</p>	<ul style="list-style-type: none"> • Provides optimal simplification in waiver administration for state staff and lead agency staff. • Provides optimal simplification for service users. 	<ul style="list-style-type: none"> • Requires that policies, procedures, service definitions, etc. are robust enough to provide the amount of control and oversight required to efficiently manage the waiver.
<p>Program management streamlining Allows changes/amendments to be requested and approved at the same time across waiver programs, allows a single implementation of the changes, and aligns waiver years for disability waivers.</p>	<ul style="list-style-type: none"> • Changes/amendments would be implemented one time under a unified waiver. 	<ul style="list-style-type: none"> • Once the unified waiver is in place, management of the waiver renewal process will be streamlined. During the transition phase to a unified waiver, amendments and/or renewals to the existing waivers may be necessary and will require thoughtful planning to pave the way toward a unified waiver.
<p>Ease of transition Ensuring minimal disruption for current waiver recipients and informed choice on potential service changes.</p>	<ul style="list-style-type: none"> • Transition to a unified waiver can take two courses – 1) one of the existing 1915 (c) waivers could serve as the receiving waiver and the other three waivers could be sunsetted; or 2) one new waiver could replace all four existing waivers. 	<ul style="list-style-type: none"> • Path 1: The receiving waiver would need to be amended to reflect the resulting unified waiver. This transition may be administratively burdensome. Plans of care would need to be incrementally changed for those on the receiving waiver. • Path 2: A new waiver created after 2022 must be in full compliance with the HCBS Settings Final Rule. This may impact the overall timeline to creating a new waiver. • While moving an individual from one waiver to another does not technically require a continuation of the previous authorization, it would be necessary to assess the degree of parity between what service recipients were authorized to receive previously and what they will have access to under a unified waiver.
<p>Consumer Direction</p>	<ul style="list-style-type: none"> • Under a unified waiver the consumer directed option would be available to all those enrolled in the waiver should they choose to use it. 	<ul style="list-style-type: none"> • The state will need to develop a strategy for enhancing the consumer-directed option under a unified waiver solution.

Appendix B: Benefits & Challenges of Option 2: Two-Waiver Configuration

Description of Option	Benefits	Challenges
Consolidating four current disability waivers (BI, CAC, CADI, DD) into two 1915(c) waivers – Supports Waiver and Comprehensive Waiver.	The two-waiver option offers a way to differentiate by living setting – serving individuals in paid residences via the Comprehensive Waiver and serving individuals living on their own or with family through the Supports Waiver. This creates the ability to target resources and supports to best serve individuals where they live. Both waivers will combine all disability populations currently served under the four existing waivers.	Operating two waivers reduces the administrative burden from the current four waivers to two but does require designing and maintaining two separate waivers. This option will require a solid communication strategy and engagement with stakeholders, particularly families and other advocates who will likely be served in the Supports Waiver. The service offerings and any potential limits imposed on the Supports Waiver and access to the Comprehensive Waiver will require careful consideration.
Evaluation Criteria	Benefits	Challenges
Equity and access Responsiveness to the person’s needs, preferences, and circumstances regardless of diagnostic classification or waiver enrollment.	<ul style="list-style-type: none"> Individuals currently served under the four disability waivers will have access to either the Supports or Comprehensive waiver based on living setting. The waivers will not differentiate by diagnostic classification. 	<ul style="list-style-type: none"> The service array offered on both waivers must be robust enough to meet the needs of people with a variety of disabilities and support needs. Under the two-waiver option serving a cross-disability population, the real or perceived advantage of specialization by diagnostic classifications may be dissolved.
Changes and predictability Recognition of life changes and increased emphasis on technology, environmental modifications, and adaptive aids.	<ul style="list-style-type: none"> The service arrays offered on each of the waivers can be tailored to meet the specific needs of individuals served based on living arrangement. Both waivers can include services that promote the use of technology, environmental modifications, and adaptive aids. 	<ul style="list-style-type: none"> In the event that an individual requests to move from the Supports Waiver into a paid residential setting under the Comprehensive Waiver, the nature of the two-waiver structure creates a level of control to that access. Movement between waivers may be restricted due to capacity or other policy decisions.
Benefit alignment Common service menus, uniform standards, and consistent limits across waiver programs.	<ul style="list-style-type: none"> While residential services will only be available on the Comprehensive Waiver, each waiver will likely contain a similar base set of services; however, each waiver may offer specific services that are of particular benefit to people based on living setting. 	<ul style="list-style-type: none"> Providing similarity across the two waivers presents a challenge. For people who reside in the family home served on the Supports Waiver, it is important to acknowledge the contribution of family members providing some amount of uncompensated support.
Administrative simplification Making waivers easier to understand for consumers and to implement by local lead agency staff, including clear roles of the state and delegated agents in the administration of the waiver programs.	<ul style="list-style-type: none"> Reduces the administrative burden by reducing the number of waivers, thereby simplifying the experience for local lead agency staff and end-users. 	<ul style="list-style-type: none"> Requires a strong communication strategy including possibly framing the overall effort as operating one program with two mechanisms to receive support. Lead agencies will need to have a clear understanding of how to enroll people to the waiver most appropriate to meet their needs.

Evaluation Criteria	Benefits	Challenges
<p>Program management streamlining Allows changes/amendments to be requested and approved at the same time across waiver programs, allows a single implementation of the changes, and aligns waiver years for disability waivers.</p>	<ul style="list-style-type: none"> Changes/amendments would be reduced to two waivers. 	<ul style="list-style-type: none"> Requires maintenance of two separate waivers. Therefore, if changes/amendments are needed related to common elements across the two waivers (i.e., change to a service definition for a service offered in both waivers) it would need to be replicated across both.
<p>Ease of transition and impacts on service recipients Ensuring minimal disruption for current waiver recipients and informed choice on potential service changes.</p>	<ul style="list-style-type: none"> Transition to two waivers can take two courses – 1) one of the existing 1915(c) waivers could serve as the receiving waiver for the Comprehensive Waiver and the other three waivers could be sunsetted. A new waiver would need to be created for the Supports Waiver; or 2) Two new waivers could replace all four existing waivers. 	<ul style="list-style-type: none"> Path 1: The receiving waiver would need to be amended to reflect the resulting Comprehensive Waiver. This transition may be administratively burdensome. Plans of care would need to be incrementally changed for those on the receiving waiver. Path 2: Both new waivers created after 2022 must be in full compliance with the HCBS Settings Final Rule. This may impact the overall timeline to creating new waivers. While moving an individual from one waiver to another does not technically require a continuation of the previous authorization if done at the end of a plan year, it would be necessary to assess the degree of parity between what was authorized previously and what they will have access to under the new waiver they are enrolled in.
<p>Consumer Direction</p>	<ul style="list-style-type: none"> In this configuration, the Consumer Direction option would exist in the Supports Waiver only. This is an option that is currently not available to people living in a provider-operated residence. This allows the state to enhance the Supports Waiver by including this option. 	<ul style="list-style-type: none"> Maintaining consistency in benefit packages across those who are directing their own services and those who are not will present a challenge. The nature of Consumer Directed services is distinctly different in operation and particularly related to rate determinations. Policy decisions made related to the Consumer Direction option will likely impact the popularity of this option.
<p>System Impacts</p>	<ul style="list-style-type: none"> Creates a streamlined approach to administration and operations. 	<ul style="list-style-type: none"> While difficult to assess overall fiscal impacts due to inability to predict changes in service patterns or latent demand, provides an ability to control access to residential options, thereby providing avenues to adhere to budget constraints.
<p>Communication considerations</p>	<ul style="list-style-type: none"> Communicating the overall intent to operate one disability program with two ways to access the services one needs. 	<ul style="list-style-type: none"> People living with family members or on their own would need reassurance that the Supports Waiver option will meet their needs.