Reform 2020: Pathways to Independence

Section 1115 Waiver No. 11-W-00286/5

Demonstration Year 12
July 1, 2024 through January 31, 2025
Annual Report
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Submitted to:

U.S. Department of Health & Human Services
Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services

Submitted by:

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1. Introduction

Minnesota's Reform 2020 demonstration waiver, authorized under section 1115 of the Social Security Act, provides federal waiver authority to implement key components of Minnesota's broader reform initiatives to promote independence, increase community integration, and reduce reliance on institutional care for Minnesota's older adults. This is the state's demonstration year (DY) 12 annual report for the period of July 1, 2024 through January 31, 2025.

Federal waiver authority for the five-year demonstration was initially approved by the Centers for Medicare & Medicaid Services (CMS) on October 18, 2013. The initial waiver was approved through June 30, 2018. On July 21, 2017, the Minnesota Department of Human Services (DHS) submitted an application to CMS to extend the waiver for the three-year period of July 1, 2018 through June 30, 2021. The Reform 2020 waiver operated under temporary extensions from July 1, 2018 through January 31, 2020. On January 31, 2020, CMS approved a waiver extension for the period of February 1, 2020 through January 31, 2025. On August 2, 2024, DHS submitted a waiver extension request for the five-year period of February 1, 2025 through January 31, 2030 which CMS approved on January 2, 2025.

1.1 Alternative Care Program

The Reform 2020 waiver provides federal matching funds for the Alternative Care program. The program was established as an alternative to provide community services to older adults with modest income and assets who are not yet eligible for Medical Assistance (MA), Minnesota's Medicaid program. The Alternative Care program provides a home and community services benefit to people age 65 and older who need nursing facility level of care, have income or assets above the state's MA standards, and do not have enough income or assets to pay for a nursing facility stay lasting longer than 135 days. This allows people to get the care they need without moving to a nursing home.

1.2 Goals of Demonstration

The goals of the Alternative Care program are to:

- Increase and support independence;
- Increase community integration; and
- Reduce reliance on institutional care.

2. Enrollment Information

The following tables provide the annual enrollment data. Because this reporting period covers seven months from July 1, 2024 through January 1, 2025, only one month of data is provided for quarter 3 (January).

Quarter 1 (July 1, 2024 – September 30, 2024)

Demonstration Population (as hard coded in the CMS 64)	Enrollees at Close of Quarter (9/30/2024)	Current Enrollees (as of data pull 10/2/2024)	Disenrolled in Current Quarter (7/1/2024 to 9/30/2024)
Alternative Care	2,596	2,595	6

Quarter 2 (October 1, 2024 – December 31, 2024)

Demonstration Population (as hard coded in the CMS 64)	Enrollees at Close of Quarter (12/31/2024)	Current Enrollees (as of data pull 1/2/2025)	Disenrolled in Current Quarter (10/1/2024 to 12/31/2024)
Alternative Care	2,579	2,576	4

Quarter 3 (January 1, 2025 – January 31, 2025)

Demonstration Population (as hard coded in the CMS 64)	Enrollees at Close of Quarter (1/31/2025)	Current Enrollees (as of data pull 4/2/2025)	Disenrolled in Current Quarter (1/1/2025 to 1/31/2025)
Alternative Care	2,576	2,602	4

2.1 Alternative Care Program Wait List Reporting

There is no waiting list maintained for the Alternative Care program and there are no plans to implement such a list.

3. Outreach and Innovative Activities

3.1 Minnesota Department of Human Services Public Website

Information about the Alternative Care program is available to the public on DHS' website. The Alternative Care webpage provides information about program eligibility, covered services, and the application process. The webpage also includes information about the Senior LinkAge Line® (described in the following section) where people can obtain information about the Alternative Care program and other programs and services for seniors.

3.2 Senior Linkage Line®

The Senior Linkage Line® is a free information service available to assist older adults and their families find applicable community services. Information is available on the website or people can call to receive information about services near them or get help evaluating their situation to determine what kind of service might be helpful. Information and Assistance Specialists work with the person and/or their caregiver to understand the person's needs and preferences, help connect them with services in their community, refer them to the appropriate county or tribal human service agency for an assessment to determine eligibility for services and supports, and follow-up as needed to support long-term success. Specialists are trained professionals who offer objective information about senior services.

3.3 Statewide Training

County and tribal human service agencies determine eligibility, complete person-centered planning, and coordinate Alternative Care services for eligible participants. DHS supports county and tribal human service agencies by providing technical assistance through response to issues and questions via email and phone contacts. DHS also offers self-paced online training related to MnCHOICES assessments and support planning, the Medicaid Management Information System (MMIS) tools and processes, level of care determinations, case management, services and supports, vulnerable adult and maltreatment reporting and prevention.

MnCHOICES is a computer application used by county and tribal human service agencies to facilitate the person's assessment and support planning work completed by certified assessors and case managers. MnCHOICES assessors must be certified by DHS. DHS offers ongoing training opportunities for certified assessors and case managers such as the Building Your Skills training. The Building Your Skills training is a 15-part series of recorded webinars that focus on foundational skills and best practices for developing a person-centered support plan. Additional instructions and guides to help county and tribal human service agencies navigate the assessment and support planning process can be accessed within the MnCHOICES system.

DHS also publishes and maintains several manuals to provide direction and support the work of county and tribal human service agencies, including:

- Community-Based Services Manual (CBSM) includes information for counties and tribal human service agencies who administer home and community-based services that support people receiving services in the community;
- Minnesota Health Care Programs (MHCP) Provider Manual includes information about covered services, provider Medicaid enrollment information, and provider standards; and
- Instructions for Completing and Entering the LTCC Screening Document and Service Agreement Into MMIS includes instructions for county and tribal human service agency staff who enter screening documents and service agreements in MMIS.

4. Updates on Post-Award Public Forums

In accordance with paragraph 42 of the Reform 2020 waiver's special terms and conditions (STCs), DHS holds public forums to provide the public with an opportunity to comment on the progress of the waiver. During the COVID-19 pandemic the schedule of forums was interrupted. In communications with CMS on August 23, 2023 the state shared the forum dates to resume the forum schedule prior to the pandemic. Forums were held March 6, 2024 and March 26, 2025. The next forum for the period of July 1, 2024 through June 30, 2025 (DY12 and DY13) is planned to be held in July 2025. To cover a 12-month period, DY12 and DY13 will be combined.

5. Policy and Operational Developments

There were four policy and operational updates during this reporting period:

1. Community First Services and Supports was approved;
2. Rates and monthly budgets were increased;
3. Asset assessments for married applicants were modified; and
4. Qualifications for certified assessors were updated.

5.1 Community First Services and Supports

DHS is redesigning its state plan Personal Care Assistance (PCA) services to expand self-directed options under a new service called Community First Services and Supports (CFSS).

DHS received approval on February 27, 2024 to cover CFSS under Minnesota's Medicaid state plan effective June 1, 2024. The service is authorized under sections 1915(i) and 1915(k) of the Social Security Act. DHS submitted a corresponding amendment on November 29, 2023 adding

CFSS as a service option under the Reform 2020 waiver. CMS confirmed on February 28, 2024 that no additional authority was required for CFSS to be covered under the Reform 2020 waiver for Alternative Care participants. DHS subsequently submitted amendments for the 1915(i) and 1915(k) waivers on June 13, 2024 to update the effective date of CFSS from June 1, 2024 to October 1, 2024. CMS approved the amendments on August 29, 2024.

5.2 Rate and monthly budget increases

DHS implemented rate and budget increases effective January 1, 2025 as authorized by the state legislature.

A. Rate increases

- 6.195% increase to home-delivered meals
- 3.14% increase to extended home care services, including home health aide, home care nursing, and skilled nursing
- 4.37% increase to personal care services.

B. Budget increases

- 4.53% increase to monthly case mix budget caps
- 4.53% increase to consumer directed community supports budgets.

5.3 Asset assessments for married applicants

Effective October 1, 2024, married people who apply for AC are no longer required to have an asset assessment completed by a financial worker, but may request one. If the assessment is not completed by a financial worker, the individual must complete a disclosure form annually or when they have financial changes.

5.4 Qualifications for certified assessors

The qualifications for certified assessors was updated in state law to remove the requirement that registered nurses must have two years of home and community-based service work experience. Certified assessors must now:

1. Either have a bachelor's degree in social work, nursing with a public health nursing certificate, or other closely related field or be a registered nurse; and
2. Have received training and certification specific to assessment and consultation for long-term care services in the state.

6. Financial and Budget Neutrality Development Issues

Demonstration expenditures are reported quarterly using Form CMS-64, 64.9 and 64.10. DHS also provides CMS with quarterly budget neutrality status updates using the Budget Neutrality Monitoring Tool submitted in the Performance Metrics Database and Analytics (PMDA) system.

7. Member Month Reporting

The following tables provide the annual member month reporting data. Because this reporting period covers seven months from July 1, 2024 through January 1, 2025, only one month of data is provided for quarter 3 (January).

Quarter 1 (July 1, 2024 – September 30, 2024)

Eligibility Group	July 2024	Aug. 2024	Sept. 2024	Total for Quarter
Alternative Care	2,629	2,640	2,645	7,914

Quarter 2 (October 1, 2024 – December 31, 2024)

Eligibility Group	Oct. 2024	Nov. 2024	Dec. 2024	Total for Quarter
Alternative Care	2,628	2,623	2,621	7,872

Quarter 3 (January 1, 2025 – January 31, 2025)

Eligibility Group	Jan. 2024	Total for Quarter
Alternative Care	2,636	2,636

8. Consumer Issues

8.1 Alternative Care Program Beneficiary Grievances and Appeals

Grievances and appeals filed by Alternative Care program participants are reviewed by DHS on a quarterly basis. Alternative Care program staff assist in resolving individual issues and identify significant trends or patterns. The following is a summary of Alternative Care program grievance and appeal activity during the period July 1, 2024 through January 31, 2025. Because this reporting period covers seven months from July 1, 2024 through January 1, 2025, only one month of data is provided for quarter 3 (January).

Quarter 1 (July 1, 2024 through September 30, 2024)

	Affirmed	Reversed	Dismissed	Withdrawn
Filed	0	0	0	1
Closed	0	1	0	1

Quarter 2 (October 1, 2024 through December 31, 2024)

	Affirmed	Reversed	Dismissed	Withdrawn
Filed	0	0	0	0
Closed	1	0	1	1

Quarter 3 (January 1, 2025 through January 31, 2025)

	Affirmed	Reversed	Dismissed	Withdrawn
Filed	0	0	0	1
Closed	0	0	0	0

8.2 Alternative Care Program Adverse Incidents

Incidents of suspected abuse, neglect, and exploitation are reported to the Minnesota Adult Abuse Reporting Center (MAARC) established by DHS. MAARC staff forward all reports to the respective investigative agency. In addition, MAARC staff screen all reports to evaluate immediate risk and possible criminal issues, and make necessary referrals. An immediate referral is made to county social services when there is an identified emergency safety need. An immediate referral is made to law enforcement when there is an alleged or possible crime involved. MAARC staff immediately forward reports of suspicious deaths to law enforcement, the medical examiner, and the Ombudsman for Mental Health and Developmental Disabilities.

For reports that do not contain an indication of immediate risk, MAARC staff notify the agency responsible for investigation (lead investigative agency) within two working days. If requested by the reporter, the lead investigative agency provides information to the reporter within five working days about the disposition of the investigation. Each lead investigative agency evaluates reports based on requirements and prioritization guidelines in state law.

Investigation guidelines for all lead investigative agencies are established in state law and include, as applicable, interviews with alleged victims and perpetrators, evaluation of the environment surrounding the allegation, access to and review of pertinent documentation and consultation with professionals, as applicable.

DHS manages a centralized reporting data collection system housed within the Social Services Information System (SSIS). This system stores adult maltreatment reports for MAARC. SSIS also supports county functions related to vulnerable adult report intake, investigation, adult protective services and maintenance of county investigative results. Once maltreatment investigations are completed, the county investigative findings are documented in SSIS.

Paragraph 36 of the Reform 2020 waiver's STCs require DHS to report annually the number of substantiated instances of abuse, neglect, exploitation and/or death, the actions taken regarding the incidents and how they were resolved. Please refer to Attachment A for a report on allegations and investigation determinations of maltreatment where the county was the lead investigative agency and the alleged victim was receiving services under the Alternative Care program for the period of July 1, 2024 to January 31, 2025.

9. Quality Assurance and Monitoring Activity

9.1 Alternative Care Program and HCBS Quality Strategy

The Data, Policy and Quality Assurance workgroup within the Aging and Adult Services Division is responsible for reviewing the quality improvement strategy and coordinating with other applicable areas of the agency based on the issue. The workgroup analyzes data regarding performance measures and identifies remediation processes as needed. Issues requiring intervention beyond existing remediation processes (i.e., system improvements outlined below) are directed to the Aging and Adult Services Division policy team. The policy team completes additional analysis and, if indicated, develops new or revises policies and procedures. The policy

team responsible for this work within the Aging and Adult Services Division meets monthly when issues are identified.

Paragraph 35 of the Reform 2020 waiver's STCs require DHS to have an approved Quality Improvement Strategy and that DHS work with CMS to develop approvable performance measures within 90-days following the approval of the waiver. On July 17, 2020, DHS submitted its quality improvement strategy (QIS) to CMS as final. The QIS includes assurances and performance measures for the Alternative Care program and parallels DHS' section 1915(c) waiver QIS process. Specifically, DHS collects three complete years of data and submits the data 18 months prior to submitting the extension request.

DHS submitted the QIS data for Alternative Care for DY8, DY9 and DY10 on February 8, 2024. CMS conducted an accelerated review of the state's Evidence Report and provided its response on March 29, 2024. The response report requested the state provide additional information in four areas: Level of Care; Qualified Providers; Service Plans; and Health and Welfare. DHS responded on May 23, 2024. On July 9, 2024, CMS sent their final report, finding the state to be in compliance with three of the six areas: Administrative Authority, Financial Accountability, and Health and Welfare. CMS directed DHS to address the remaining three areas in the extension application: Level of Care; Qualified Providers; Service Plans. The state will work with CMS to develop quality performance measures for the new demonstration period as required in paragraph 35 of the Reform 2020 waiver's STCs.

Paragraph 36 of the Reform 2020 waiver's STCs require DHS to report annually the deficiencies found during the monitoring and evaluation of the quality assurances, an explanation of how these deficiencies have been or are being corrected, as well as the steps that have been taken to ensure that these deficiencies do not reoccur. The Alternative Care program report includes information on deficiencies, data related to cases of maltreatment and neglect, and corrective action/remedial steps taken. Please refer to Attachment A for the state's annual report for the period of July 1, 2024 to January 31, 2025.

9.2 Electronic Visit Verification

Paragraph 34 of the Reform 2020 waiver's STCs requires DHS to demonstrate compliance with the Electronic Visit Verification (EVV) system requirements. EVV for personal care services and home health services was phased in beginning in June 2022 with the final phase of implementation completed in October 2023.

The Alternative Care services subject to EVV as personal care services are:

- Consumer directed community supports (direct support workers within the personal assistance category)
- Personal care assistance
- Homemaker (assistance with activities of daily living)
- Individual Community Living Supports (in-person)
- Respite (in-home)

The Alternative Care services subject to EVV as home health services are:

- Home health aide

- Nursing services
- Skilled nursing visit
- Tele-homecare

10. Demonstration Evaluation

While the information in this section was provided in previous quarterly reports, it is included because it is relevant to the waiver's operation during this reporting period.

10.1 Evaluation Design

DHS contracted with the University of Minnesota for development of an evaluation design and analysis plan that covers all elements outlined in paragraph 68 of the Reform 2020 waiver's STCs. A draft evaluation plan for the waiver extension period effective February 1, 2020 through January 30, 2025 was submitted to CMS on July 7, 2020. CMS provided initial feedback on April 4, 2021, and additional feedback on July 6, 2021. DHS addressed CMS' feedback on September 7, 2021, and CMS gave final approval of the evaluation plan on September 21, 2021.

10.2 Summative Evaluation Report

The draft Summative Evaluation Report for the previous demonstration period of July 1, 2013 through January 31, 2020 was submitted to CMS on August 12, 2021. CMS' comments on the draft report were received on January 11, 2022. DHS revised the report in response to CMS' feedback and resubmitted the report on March 4, 2022. CMS approved the Summative Evaluation Report on May 30, 2024.

10.3 Interim Evaluation Report

DHS identified an unexpected delay in completion of the Interim Evaluation Report that was due to be submitted with the Reform 2020 waiver extension request in January 2024. At that time, the evaluation report was expected to be completed in June 2024. DHS sought direction from CMS about the timing of the extension request relative to the expected evaluation completion. CMS informed DHS via email on October 18, 2023 that the waiver extension application could be submitted in June 2024. In June and July 2024, DHS consulted with CMS about the timing of the waiver application submission and CMS agreed to allowing DHS additional time. The Interim Evaluation Report was submitted to CMS on June 12, 2024 and remains under CMS review.

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