Reform: Pathways to Independence

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

Demonstration Year 13
February 1, 2025 through April 30, 2025
Quarterly Report (Q1)
Date Submitted: June 23, 2025

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 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) 13, first quarter report for the period of February 1, 2025 through April 30, 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 under the title "Reform 2020: Pathways to Independence." 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 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. As part of the extension request approved by CMS on January 2, 2025, the title of the waiver was changed to "Reform: Pathways to Independence."

1.1 Alternative Care Program

The Reform 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 table provides the first quarter enrollment data.

Quarter 1 (February 1, 2025 – April 30, 2025)

Demonstration Population (as hard coded in the CMS 64)	Enrollees at Close of Quarter (4/30/2025)	Current Enrollees (as of data pull 5/7/2025)	Disenrolled in Current Quarter (2/1/2025 to 4/30/2025)
Alternative Care	2,610	2,608	3

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(s) 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 8.10 of the Reform 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. DHS held an annual public forum on March 26, 2025. The forum was held in-person and had a virtual option available. DHS notified the public of the forum and how to participate as follows:

- February 14, 2025: Posted on DHS' website
- February 21, 2025: Sent via GovDelivery.[1]
- February 24, 2025: Published in the Minnesota State Register.

Six people attended the March 26, 2025 forum virtually. There were no in-person attendees. One person asked a question about federal funding and there was one comment about Alternative Care fees.

5. Policy and Operational Developments

There were two policy and operational developments during this quarter:

1. Community First Services and Supports
2. Transitional services added as a benefit effective March 1, 2025

5.1 Community First Services and Supports

Following approval of the Reform extension request by CMS on January 2, 2025, the state clarified on February 4, 2025 the policy that people on Alternative Care cannot use CFSS to purchase goods and services and personal emergency response systems. These items are covered under other Alternative Care services.

5.2 Transitional services added as a benefit effective March 1, 2025

The 2024 Minnesota State Legislature authorized the addition of transitional services as a covered benefit under Alternative Care. As part of the state's waiver extension request approved by CMS on January 2, 2025, transitional services was approved as a covered benefit. DHS' objective for adding transitional services is to provide support to participants who are transitioning from a licensed setting to independent or semi-independent community-based

[1] GovDelivery is a subscription-based email system used by Minnesota state government to share information with the public. It is also sent to specific provider and stakeholder groups as applicable.

housing. The goal of the service is increased community integration and decreased institutional care.

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 table provides the first quarter member month reporting data.

Quarter 1 (February 1, 2025 – April 30, 2025)

Eligibility Group	February 2025	March 2025	April 2025	Total for Quarter
Alternative Care	2,627	2,642	2,659	7,928

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 February 1, 2025 through April 30, 2025.

Quarter 1 (February 1, 2025 through April 30, 2025)

	Open	Affirmed	Reversed	Dismissed	Withdrawn	No Show
Filed	0	0	0	0	1	0
Closed	0	1	0	1	1	1

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 Ombudsperson 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 8.5 of the Reform 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. DHS' next annual report is due to be submitted in PMDA by December 31, 2025.

9. Quality Assurance and Monitoring Activity

9.1 HCBS Quality Improvement Strategy and Performance Measures

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 8.4 of the Reform waiver's STCs require DHS to submit a Quality Improvement Strategy (QIS) and performance measures within 90-days following approval of the waiver. The QIS and performance measures were submitted to CMS on April 1, 2025 and remain under the review process.

Paragraph 8.5 of the Reform 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. DHS' next annual deficiency report is due to be submitted in PMDA by December 31, 2025.

9.2 Electronic Visit Verification

Paragraph 5.3 of the Reform 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

DHS contracts with the University of Minnesota for development of the evaluation design, interim evaluation report, and summative evaluation report.

10.1 Evaluation Design

Paragraph 9.4 of the Reform waiver's STCs requires DHS to submit an evaluation design covering the waiver period February 1, 2025 through January 31, 2030. The evaluation design is due to CMS 180 calendar days after approval of the demonstration (July 1, 2025).

10.2 Interim Evaluation Report

Paragraph 9.7 of the Reform waiver's STCs requires DHS to submit an Interim Evaluation Report covering the waiver period February 1, 2025 through January 31, 2030. The report is due to CMS one year prior to the expiration of the demonstration (January 31, 2029).

10.3 Summative Evaluation Report

Paragraph 9.8 of the Reform waiver's STCs requires DHS to submit a Summative Evaluation Report covering the waiver period February 1, 2025 through January 31, 2030. The report is due to CMS within 18 months after the approval period ends (July 31, 2031).

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