

1.1 Sec. Minnesota Statutes 2020, section 256B.4914, subdivision 1, is amended to read:

1.2 Subdivision 1. **Application.** The payment methodologies in this section apply to home
1.3 and community-based services waivers under sections 256B.092 and 256B.49. This section
1.4 does not change existing waiver policies and procedures.

1.5 Sec. Minnesota Statutes 2020, section 256B.4914, subdivision 2, is amended to read:

1.6 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
1.7 meanings given them, unless the context clearly indicates otherwise.

1.8 (b) "Commissioner" means the commissioner of human services.

1.9 (c) "Comparable occupations" means the occupations, excluding direct care staff, as
1.10 represented by the Bureau of Labor Statistics standard occupational classification codes
1.11 that have the same classification for:

1.12 (1) typical education needed for entry;

1.13 (2) work experience in a related occupation; and

1.14 (3) typical on-the-job training competency as the most predominant classification for
1.15 direct care staff.

1.16 (d) "Component value" means underlying factors that are part of the cost of providing
1.17 services that are built into the waiver rates methodology to calculate service rates.

1.18 (e) "Customized living tool" means a methodology for setting service rates that delineates
1.19 and documents the amount of each component service included in a recipient's customized
1.20 living service plan.

1.21 (f) "Direct care staff" means employees providing direct service to people receiving
1.22 services under this section. Direct care staff excludes executive, managerial, and
1.23 administrative staff.

1.24 (g) "Disability waiver rates system" means a statewide system that establishes rates that
1.25 are based on uniform processes and captures the individualized nature of waiver services
1.26 and recipient needs.

1.27 (h) "Individual direct staffing hours" means the time spent as a one-to-one interaction
1.28 specific to an individual recipient by staff to provide direct support and assistance with
1.29 activities of daily living, instrumental activities of daily living, and training to participants,
1.30 and is based on the requirements in each individual's coordinated service and support plan
1.31 under section 245D.02, subdivision 4b; any coordinated service and support plan addendum

2.1 under section 245D.02, subdivision 4c; and an assessment tool. Provider observation of an
2.2 individual's needs must also be considered.

2.3 (i) "Lead agency" means a county, partnership of counties, or tribal agency charged with
2.4 administering waived services under sections 256B.092 and 256B.49.

2.5 (j) ~~"Median" means the amount that divides distribution into two equal groups, one half~~
2.6 ~~above the median and one half below the median.~~

2.7 ~~(k)~~ "Payment or rate" means reimbursement to an eligible provider for services provided
2.8 to a qualified individual based on an approved service authorization.

2.9 ~~(j)~~ (k) "Rates management system" means a web-based software application that uses a
2.10 framework and component values, as determined by the commissioner, to establish service
2.11 rates.

2.12 ~~(m)~~ (l) "Recipient" means a person receiving home and community-based services funded
2.13 under any of the disability waivers.

2.14 ~~(n)~~ (m) "Shared direct staffing hours" means time spent by employees, not defined under
2.15 paragraph (f), providing or available to provide more than one individual with direct support
2.16 and assistance with activities of daily living as defined under section 256B.0659, subdivision
2.17 1, paragraph (b); instrumental activities of daily living as defined under section 256B.0659,
2.18 subdivision 1, paragraph (i); ancillary activities needed to support individual services; and
2.19 training to participants, and is based on the requirements in each individual's coordinated
2.20 service and support plan under section 245D.02, subdivision 4b; any coordinated service
2.21 and support plan addendum under section 245D.02, subdivision 4c; an assessment tool; and
2.22 provider observation of an individual's service need. Total shared staffing hours are divided
2.23 proportionally by the number of individuals who receive the shared service provisions.

2.24 ~~(o)~~ (n) "Staffing ratio" means the number of recipients a service provider employee
2.25 supports during a unit of service based on a uniform assessment tool, provider observation,
2.26 case history, and the recipient's services of choice, and not based on the staffing ratios under
2.27 section 245D.31.

2.28 (p) "Unit of service" means the following:

2.29 (1) ~~for residential support services under subdivision 6, a unit of service is a day. Any~~
2.30 ~~portion of any calendar day, within allowable Medicaid rules, where an individual spends~~
2.31 ~~time in a residential setting is billable as a day;~~

2.32 (2) ~~for day services under subdivision 7:~~

- 3.1 ~~(i) for day training and habilitation services, a unit of service is either:~~
- 3.2 ~~(A) a day unit of service is defined as six or more hours of time spent providing direct~~
- 3.3 ~~services and transportation; or~~
- 3.4 ~~(B) a partial day unit of service is defined as fewer than six hours of time spent providing~~
- 3.5 ~~direct services and transportation; and~~
- 3.6 ~~(C) for new day service recipients after January 1, 2014, 15 minute units of service must~~
- 3.7 ~~be used for fewer than six hours of time spent providing direct services and transportation;~~
- 3.8 ~~(ii) for adult day and structured day services, a unit of service is a day or 15 minutes. A~~
- 3.9 ~~day unit of service is six or more hours of time spent providing direct services;~~
- 3.10 ~~(iii) for day support services, a unit of service is 15 minutes; and~~
- 3.11 ~~(iv) for prevocational services, a unit of service is a day or 15 minutes. A day unit of~~
- 3.12 ~~service is six or more hours of time spent providing direct service;~~
- 3.13 ~~(3) for unit-based services with programming under subdivision 8:~~
- 3.14 ~~(i) for supported living services, a unit of service is a day or 15 minutes. When a day~~
- 3.15 ~~rate is authorized, any portion of a calendar day where an individual receives services is~~
- 3.16 ~~billable as a day; and~~
- 3.17 ~~(ii) for all other services, a unit of service is 15 minutes; and~~
- 3.18 ~~(4) for unit-based services without programming under subdivision 9, a unit of service~~
- 3.19 ~~is 15 minutes.~~

3.20 Sec. Minnesota Statutes 2020, section 256B.4914, subdivision 3, is amended to read:

3.21 Subd. 3. **Applicable services.** Applicable services are those authorized under the state's

3.22 home and community-based services waivers under sections 256B.092 and 256B.49,

3.23 including the following, as defined in the federally approved home and community-based

3.24 services plan:

- 3.25 (1) 24-hour customized living;
- 3.26 (2) adult day services;
- 3.27 (3) adult day services bath;
- 3.28 ~~(4) companion services;~~
- 3.29 ~~(5) (4) community residential services;~~
- 3.30 ~~(6) (5) customized living;~~

- 4.1 ~~(7)~~ (6) day support services;
- 4.2 ~~(8) day training and habilitation;~~
- 4.3 ~~(9)~~ (7) employment development services;
- 4.4 ~~(10)~~ (8) employment exploration services;
- 4.5 ~~(11)~~ (9) employment support services;
- 4.6 ~~(12)~~ (10) family residential services;
- 4.7 ~~(13) housing access coordination;~~
- 4.8 ~~(14) independent living skills;~~
- 4.9 ~~(15)~~ (11) individualized home supports with family training;
- 4.10 ~~(16)~~ (12) individualized home supports with training;
- 4.11 ~~(17)~~ (13) individualized home supports without training;
- 4.12 ~~(18) in-home family support;~~
- 4.13 ~~(19)~~ (14) integrated community supports;
- 4.14 ~~(20)~~ (15) night supervision;
- 4.15 ~~(21) personal support;~~
- 4.16 ~~(22)~~ (16) positive support services;
- 4.17 ~~(23)~~ (17) prevocational services;
- 4.18 ~~(24)~~ (18) residential support services;
- 4.19 ~~(25)~~ (19) respite services;
- 4.20 ~~(26) structured day services;~~
- 4.21 ~~(27) supported living services;~~
- 4.22 ~~(28)~~ (20) transportation services; and
- 4.23 ~~(29)~~ (21) other services as approved by the federal government in the state home and
- 4.24 community-based services waiver plan.

4.25 Sec. Minnesota Statutes 2020, section 256B.4914, subdivision 4, is amended to read:

4.26 Subd. 4. **Data collection for rate determination.** (a) Rates for applicable home and

4.27 community-based waived services, including ~~rate exceptions~~ customized rates under

4.28 subdivision 12, are set by the rates management system.

5.1 (b) Data and information in the rates management system ~~may~~ must be used to calculate
5.2 an individual's rate.

5.3 (c) Service providers, with information from the ~~community~~ coordinated service and
5.4 support plan and oversight by lead agencies, shall provide values and information needed
5.5 to calculate an individual's rate ~~into~~ in the rates management system. The determination of
5.6 service levels must be part of a discussion with members of the support team as defined in
5.7 section 245D.02, subdivision 34. This discussion must occur prior to the final establishment
5.8 of each individual's rate. The values and information include:

5.9 (1) shared staffing hours;

5.10 (2) individual staffing hours;

5.11 (3) direct registered nurse hours;

5.12 (4) direct licensed practical nurse hours;

5.13 (5) staffing ratios;

5.14 (6) information to document variable levels of service qualification for variable levels
5.15 of reimbursement in each framework;

5.16 (7) shared or individualized arrangements for unit-based services, including the staffing
5.17 ratio;

5.18 (8) number of trips and miles for transportation services; and

5.19 (9) service hours provided through monitoring technology.

5.20 (d) Updates to individual data must include:

5.21 (1) data for each individual that is updated annually when renewing service plans; and

5.22 (2) requests by individuals or lead agencies to update a rate whenever there is a change
5.23 in an individual's service needs, with accompanying documentation.

5.24 (e) Lead agencies shall review and approve all services reflecting each individual's needs,
5.25 and the values to calculate the final payment rate for services with variables under
5.26 subdivisions ~~6, 7, 8, and 9~~ to 9a for each individual. Lead agencies must notify the individual
5.27 and the service provider of the final agreed-upon values and rate, and provide information
5.28 that is identical to what was entered into the rates management system. If a value used was
5.29 mistakenly or erroneously entered and used to calculate a rate, a provider may petition lead
5.30 agencies to correct it. Lead agencies must respond to these requests. When responding to
5.31 the request, the lead agency must consider:

6.1 (1) meeting the health and welfare needs of the individual or individuals receiving
 6.2 services by service site, identified in their coordinated service and support plan under section
 6.3 245D.02, subdivision 4b, and any addendum under section 245D.02, subdivision 4c;

6.4 (2) meeting the requirements for staffing under subdivision 2, paragraphs (h), (n), and
 6.5 (o); and meeting or exceeding the licensing standards for staffing required under section
 6.6 245D.09, subdivision 1; and

6.7 (3) meeting the staffing ratio requirements under subdivision 2, paragraph (o), and
 6.8 meeting or exceeding the licensing standards for staffing required under section 245D.31.

6.9 Sec. Minnesota Statutes 2020, section 256B.4914, subdivision 5, as amended by Laws
 6.10 2021, First Special Session chapter 7, article 13, section 42, is amended to read:

6.11 Subd. 5. **Base wage index and standard component values; establishment and**
 6.12 **updates.** (a) The base wage index is established to determine staffing costs associated with
 6.13 providing services to individuals receiving home and community-based services. For purposes
 6.14 of ~~developing and~~ calculating the ~~proposed~~ base wage, Minnesota-specific wages taken
 6.15 from job descriptions and standard occupational classification (SOC) codes from the Bureau
 6.16 of Labor Statistics as defined in ~~the most recent edition of~~ the Occupational Handbook must
 6.17 be used.

6.18 (b) The commissioner shall update the base wage index in subdivision 5a, publish these
 6.19 updated values, and load them into the rate management system as follows:

6.20 (1) on January 1, 2022, based on wage data by SOC from the Bureau of Labor Statistics
 6.21 available as of December 31, 2019;

6.22 (2) on November 1, 2024, based on wage data by SOC from the Bureau of Labor Statistics
 6.23 available as of December 31, 2021; and

6.24 (3) on July 1, 2026, and every two years thereafter, based on wage data by SOC from
 6.25 the Bureau of Labor Statistics available 30 months and one day prior to the scheduled update.

6.26 Subd. 5a. **Base wage index; calculations.** The base wage index must be calculated as
 6.27 follows:

6.28 (1) for supervisory staff, 100 percent of the median wage for community and social
 6.29 services specialist (SOC code 21-1099), with the exception of the supervisor of positive
 6.30 supports professional, positive supports analyst, and positive supports specialists, which is
 6.31 100 percent of the median wage for clinical counseling and school psychologist (SOC code
 6.32 19-3031);

7.1 (2) for registered nurse staff, 100 percent of the median wage for registered nurses (SOC
 7.2 code 29-1141); and

7.3 (3) for licensed practical nurse staff, 100 percent of the median wage for licensed practical
 7.4 nurses (SOC code 29-2061);

7.5 (4) for residential asleep-overnight staff, the minimum wage in Minnesota for large
 7.6 employers, with the exception of asleep-overnight staff for family residential services, which
 7.7 is 36 percent of the minimum wage in Minnesota for large employers;

7.8 ~~(4)~~ (5) for residential direct care staff, the sum of:

7.9 (i) 15 percent of the subtotal of 50 percent of the median wage for ~~personal and home~~
 7.10 ~~health and personal care aide (SOC code 39-9021 31-1120)~~; 30 percent of the median wage
 7.11 for nursing assistant (SOC code ~~31-1014 31-1131~~); and 20 percent of the median wage for
 7.12 social and human services aide (SOC code 21-1093); and

7.13 (ii) 85 percent of the subtotal of ~~20~~ 40 percent of the median wage for home health and
 7.14 personal care aide (SOC code 31-1011 31-1120); ~~20 percent of the median wage for personal~~
 7.15 ~~and home health aide (SOC code 39-9021)~~; 20 percent of the median wage for nursing
 7.16 assistant (SOC code 31-1014); 20 percent of the median wage for psychiatric technician
 7.17 (SOC code 29-2053); and 20 percent of the median wage for social and human services
 7.18 aide (SOC code 21-1093);

7.19 ~~(2)~~ (6) for adult day services, 70 percent of the median wage for nursing assistant (SOC
 7.20 code ~~31-1014 31-1131~~); and 30 percent of the median wage for home health and personal
 7.21 care aide (SOC code 39-9021 31-1120);

7.22 ~~(3)~~ (7) for ~~day services~~; day support services; and prevocational services, 20 percent of
 7.23 the median wage for nursing assistant (SOC code ~~31-1014 31-1131~~); 20 percent of the
 7.24 median wage for psychiatric technician (SOC code 29-2053); and 60 percent of the median
 7.25 wage for social and human services aide (SOC code 21-1093);

7.26 ~~(4) for residential asleep-overnight staff, the wage is the minimum wage in Minnesota~~
 7.27 ~~for large employers, except in a family foster care setting, the wage is 36 percent of the~~
 7.28 ~~minimum wage in Minnesota for large employers;~~

7.29 ~~(5)~~ (8) for positive supports analyst staff, 100 percent of the median wage for substance
 7.30 abuse, behavioral disorder, and mental health counselors counselor (SOC code 21-1014
 7.31 21-1018);

7.32 ~~(6)~~ (9) for positive supports professional staff, 100 percent of the median wage for
 7.33 clinical counseling and school psychologist (SOC code 19-3031);

8.1 ~~(7)~~ (10) for positive supports specialist staff, 100 percent of the median wage for
8.2 psychiatric technicians (SOC code 29-2053);

8.3 ~~(8) for supportive living services staff, 20 percent of the median wage for nursing assistant~~
8.4 ~~(SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code~~
8.5 ~~29-2053); and 60 percent of the median wage for social and human services aide (SOC code~~
8.6 ~~21-1093);~~

8.7 ~~(9) for housing access coordination staff, 100 percent of the median wage for community~~
8.8 ~~and social services specialist (SOC code 21-1099);~~

8.9 ~~(10)~~ (11) for ~~in-home family support and~~ individualized home supports with family
8.10 training staff, 20 percent of the median wage for nursing aide (SOC code ~~31-1012~~ 31-1131);
8.11 30 percent of the median wage for community social service specialist (SOC code 21-1099);
8.12 40 percent of the median wage for social and human services aide (SOC code 21-1093);
8.13 and ten percent of the median wage for psychiatric technician (SOC code 29-2053);

8.14 ~~(11)~~ (12) for individualized home supports with training services staff, 40 percent of the
8.15 median wage for community social service specialist (SOC code 21-1099); 50 percent of
8.16 the median wage for social and human services aide (SOC code 21-1093); and ten percent
8.17 of the median wage for psychiatric technician (SOC code 29-2053);

8.18 ~~(12) for independent living skills staff, 40 percent of the median wage for community~~
8.19 ~~social service specialist (SOC code 21-1099); 50 percent of the median wage for social and~~
8.20 ~~human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric~~
8.21 ~~technician (SOC code 29-2053);~~

8.22 (13) for employment support services staff, 50 percent of the median wage for
8.23 rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for
8.24 community and social services specialist (SOC code 21-1099);

8.25 (14) for employment exploration services staff, 50 percent of the median wage for
8.26 rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for
8.27 community and social services specialist (SOC code 21-1099);

8.28 (15) for employment development services staff, 50 percent of the median wage for
8.29 education, guidance, school, and vocational counselors (SOC code 21-1012); and 50 percent
8.30 of the median wage for community and social services specialist (SOC code 21-1099);

8.31 (16) for individualized home support without training staff, 50 percent of the median
8.32 wage for ~~personal and home~~ health and personal care aide (SOC code ~~39-9021~~ 31-1120);
8.33 and 50 percent of the median wage for nursing assistant (SOC code ~~31-1014~~ 31-1131);

9.1 ~~(17) for adult companion staff, 50 percent of the median wage for personal and home~~
 9.2 ~~care aide (SOC code 39-9021); and 50 percent of the median wage for nursing assistant~~
 9.3 ~~(SOC code 31-1014);~~

9.4 ~~(18) (17) for night supervision staff, 20 40 percent of the median wage for home health~~
 9.5 ~~and personal care aide (SOC code 31-1014 31-1120); 20 percent of the median wage for~~
 9.6 ~~personal and home health aide (SOC code 39-9021); 20 percent of the median wage for~~
 9.7 ~~nursing assistant (SOC code 31-1014 31-1131); 20 percent of the median wage for psychiatric~~
 9.8 ~~technician (SOC code 29-2053); and 20 percent of the median wage for social and human~~
 9.9 ~~services aide (SOC code 21-1093); and~~

9.10 ~~(19) (18) for respite staff, 50 percent of the median wage for personal and home health~~
 9.11 ~~and personal care aide (SOC code 39-9021 31-1131); and 50 percent of the median wage~~
 9.12 ~~for nursing assistant (SOC code 31-1014);~~

9.13 ~~(20) for personal support staff, 50 percent of the median wage for personal and home~~
 9.14 ~~care aide (SOC code 39-9021); and 50 percent of the median wage for nursing assistant~~
 9.15 ~~(SOC code 31-1014);~~

9.16 ~~(21) for supervisory staff, 100 percent of the median wage for community and social~~
 9.17 ~~services specialist (SOC code 21-1099), with the exception of the supervisor of positive~~
 9.18 ~~supports professional, positive supports analyst, and positive supports specialists, which is~~
 9.19 ~~100 percent of the median wage for clinical counseling and school psychologist (SOC code~~
 9.20 ~~19-3031);~~

9.21 ~~(22) for registered nurse staff, 100 percent of the median wage for registered nurses~~
 9.22 ~~(SOC code 29-1141); and~~

9.23 ~~(23) for licensed practical nurse staff, 100 percent of the median wage for licensed~~
 9.24 ~~practical nurses (SOC code 29-2061).~~

9.25 **(b) Component values** ~~for corporate foster care services, corporate supportive living~~
 9.26 ~~services daily, community residential services, and integrated community support services~~
 9.27 ~~are:~~

9.28 ~~(1) competitive workforce factor: 4.7 percent;~~

9.29 ~~(2) supervisory span of control ratio: 11 percent;~~

9.30 ~~(3) employee vacation, sick, and training allowance ratio: 8.71 percent;~~

9.31 ~~(4) employee-related cost ratio: 23.6 percent;~~

9.32 ~~(5) general administrative support ratio: 13.25 percent;~~

- 10.1 ~~(6) program-related expense ratio: 1.3 percent; and~~
- 10.2 ~~(7) absence and utilization factor ratio: 3.9 percent.~~
- 10.3 ~~(e) Component values for family foster care are:~~
- 10.4 ~~(1) competitive workforce factor: 4.7 percent;~~
- 10.5 ~~(2) supervisory span of control ratio: 11 percent;~~
- 10.6 ~~(3) employee vacation, sick, and training allowance ratio: 8.71 percent;~~
- 10.7 ~~(4) employee-related cost ratio: 23.6 percent;~~
- 10.8 ~~(5) general administrative support ratio: 3.3 percent;~~
- 10.9 ~~(6) program-related expense ratio: 1.3 percent; and~~
- 10.10 ~~(7) absence factor: 1.7 percent.~~
- 10.11 ~~(d) Component values for day training and habilitation, day support services, and~~
- 10.12 ~~prevocational services are:~~
- 10.13 ~~(1) competitive workforce factor: 4.7 percent;~~
- 10.14 ~~(2) supervisory span of control ratio: 11 percent;~~
- 10.15 ~~(3) employee vacation, sick, and training allowance ratio: 8.71 percent;~~
- 10.16 ~~(4) employee-related cost ratio: 23.6 percent;~~
- 10.17 ~~(5) program plan support ratio: 5.6 percent;~~
- 10.18 ~~(6) client programming and support ratio: ten percent;~~
- 10.19 ~~(7) general administrative support ratio: 13.25 percent;~~
- 10.20 ~~(8) program-related expense ratio: 1.8 percent; and~~
- 10.21 ~~(9) absence and utilization factor ratio: 9.4 percent.~~
- 10.22 ~~(e) Component values for adult day services are:~~
- 10.23 ~~(1) competitive workforce factor: 4.7 percent;~~
- 10.24 ~~(2) supervisory span of control ratio: 11 percent;~~
- 10.25 ~~(3) employee vacation, sick, and training allowance ratio: 8.71 percent;~~
- 10.26 ~~(4) employee-related cost ratio: 23.6 percent;~~
- 10.27 ~~(5) program plan support ratio: 5.6 percent;~~

- 11.1 ~~(6) client programming and support ratio: 7.4 percent;~~
- 11.2 ~~(7) general administrative support ratio: 13.25 percent;~~
- 11.3 ~~(8) program-related expense ratio: 1.8 percent; and~~
- 11.4 ~~(9) absence and utilization factor ratio: 9.4 percent.~~
- 11.5 ~~(f) Component values for unit-based services with programming are:~~
- 11.6 ~~(1) competitive workforce factor: 4.7 percent;~~
- 11.7 ~~(2) supervisory span of control ratio: 11 percent;~~
- 11.8 ~~(3) employee vacation, sick, and training allowance ratio: 8.71 percent;~~
- 11.9 ~~(4) employee-related cost ratio: 23.6 percent;~~
- 11.10 ~~(5) program plan supports ratio: 15.5 percent;~~
- 11.11 ~~(6) client programming and supports ratio: 4.7 percent;~~
- 11.12 ~~(7) general administrative support ratio: 13.25 percent;~~
- 11.13 ~~(8) program-related expense ratio: 6.1 percent; and~~
- 11.14 ~~(9) absence and utilization factor ratio: 3.9 percent.~~
- 11.15 ~~(g) Component values for unit-based services without programming except respite are:~~
- 11.16 ~~(1) competitive workforce factor: 4.7 percent;~~
- 11.17 ~~(2) supervisory span of control ratio: 11 percent;~~
- 11.18 ~~(3) employee vacation, sick, and training allowance ratio: 8.71 percent;~~
- 11.19 ~~(4) employee-related cost ratio: 23.6 percent;~~
- 11.20 ~~(5) program plan support ratio: 7.0 percent;~~
- 11.21 ~~(6) client programming and support ratio: 2.3 percent;~~
- 11.22 ~~(7) general administrative support ratio: 13.25 percent;~~
- 11.23 ~~(8) program-related expense ratio: 2.9 percent; and~~
- 11.24 ~~(9) absence and utilization factor ratio: 3.9 percent.~~
- 11.25 ~~(h) Component values for unit-based services without programming for respite are:~~
- 11.26 ~~(1) competitive workforce factor: 4.7 percent;~~
- 11.27 ~~(2) supervisory span of control ratio: 11 percent;~~

12.1 ~~(3) employee vacation, sick, and training allowance ratio: 8.71 percent;~~

12.2 ~~(4) employee-related cost ratio: 23.6 percent;~~

12.3 ~~(5) general administrative support ratio: 13.25 percent;~~

12.4 ~~(6) program-related expense ratio: 2.9 percent; and~~

12.5 ~~(7) absence and utilization factor ratio: 3.9 percent.~~

12.6 ~~(i) The commissioner shall update the base wage index in paragraph (a), publish these~~
 12.7 ~~updated values, and load them into the rate management system as follows:~~

12.8 ~~(1) on January 1, 2022, based on wage data by SOC from the Bureau of Labor Statistics~~
 12.9 ~~available as of December 31, 2019;~~

12.10 ~~(2) on November 1, 2024, based on wage data by SOC from the Bureau of Labor Statistics~~
 12.11 ~~available as of December 31, 2021; and~~

12.12 ~~(3) on July 1, 2026, and every two years thereafter, based on wage data by SOC from~~
 12.13 ~~the Bureau of Labor Statistics available 30 months and one day prior to the scheduled update.~~

12.14 ~~(j) Beginning February 1, 2021, and every two years thereafter, the commissioner shall~~
 12.15 ~~report to the chairs and ranking minority members of the legislative committees and divisions~~
 12.16 ~~with jurisdiction over health and human services policy and finance an analysis of the~~
 12.17 ~~competitive workforce factor. The report must include recommendations to update the~~
 12.18 ~~competitive workforce factor using:~~

12.19 ~~(1) the most recently available wage data by SOC code for the weighted average wage~~
 12.20 ~~for direct care staff for residential services and direct care staff for day services;~~

12.21 ~~(2) the most recently available wage data by SOC code of the weighted average wage~~
 12.22 ~~of comparable occupations; and~~

12.23 ~~(3) workforce data as required under subdivision 10a, paragraph (g).~~

12.24 ~~The commissioner shall not recommend an increase or decrease of the competitive workforce~~
 12.25 ~~factor from the current value by more than two percentage points. If, after a biennial analysis~~
 12.26 ~~for the next report, the competitive workforce factor is less than or equal to zero, the~~
 12.27 ~~commissioner shall recommend a competitive workforce factor of zero.~~

12.28 Subd. 5b. Standard component value adjustments. ~~(k) The commissioner shall update~~
 12.29 ~~the framework components in paragraph (d), clause (6); paragraph (e), clause (6); paragraph~~
 12.30 ~~(f), clause (6); and paragraph (g), clause (6); subdivision 6, paragraphs (b), clauses (9) and~~
 12.31 ~~(10), and (e), clause (10); and subdivision 7, clauses (11), (17), and (18), the client and~~

13.1 programming support, transportation, and program facility cost component values as required
 13.2 in subdivisions 6 to 9a for changes in the Consumer Price Index. The commissioner shall
 13.3 adjust these values higher or lower, publish these updated values, and load them into the
 13.4 rate management system as follows:

13.5 (1) on January 1, 2022, by the percentage change in the CPI-U from the date of the
 13.6 previous update to the data available on December 31, 2019;

13.7 (2) on November 1, 2024, by the percentage change in the CPI-U from the date of the
 13.8 previous update to the data available as of December 31, 2021; and

13.9 (3) on July 1, 2026, and every two years thereafter, by the percentage change in the
 13.10 CPI-U from the date of the previous update to the data available 30 months and one day
 13.11 prior to the scheduled update.

13.12 **Subd. 5c. Removal of after-framework adjustments.** ~~(l) Upon the implementation of~~
 13.13 ~~the updates under paragraphs (i) and (k), rate adjustments authorized under section 256B.439,~~
 13.14 ~~subdivision 7; Laws 2013, chapter 108, article 7, section 60; and Laws 2014, chapter 312,~~
 13.15 ~~article 27, section 75, shall be removed from service rates calculated under this section.~~

13.16 ~~(m)~~ Any rate adjustments applied to the service rates calculated under this section outside
 13.17 of the cost components and rate methodology specified in this section shall be removed
 13.18 from rate calculations upon implementation of the updates under ~~paragraphs (i) and (k)~~
 13.19 subdivisions 5 and 5b.

13.20 **Subd. 5d. Unavailable data for updates and adjustments.** ~~(n) In this subdivision, If~~
 13.21 Bureau of Labor Statistics occupational codes or Consumer Price Index items specified in
 13.22 subdivisions 5 or 5b are unavailable in the future, the commissioner shall recommend to
 13.23 the legislature codes or items to update and replace ~~missing component values.~~

13.24 **Subd. 5e. Inflationary update spending requirement.** ~~(o)~~ (a) At least 80 percent of
 13.25 the marginal increase in revenue from the rate adjustment applied to the service rates
 13.26 calculated under ~~this section in paragraphs (i) and (k)~~ subdivisions 5 and 5b beginning on
 13.27 January 1, 2022, for services rendered between January 1, 2022, and March 31, 2024, must
 13.28 be used to increase compensation-related costs for employees directly employed by the
 13.29 program on or after January 1, 2022.

13.30 (b) For the purposes of this ~~paragraph~~ subdivision, compensation-related costs include:

13.31 (1) wages and salaries;

13.32 (2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment
 13.33 taxes, workers' compensation, and mileage reimbursement;

14.1 (3) the employer's paid share of health and dental insurance, life insurance, disability
 14.2 insurance, long-term care insurance, uniform allowance, pensions, and contributions to
 14.3 employee retirement accounts; and

14.4 (4) benefits that address direct support professional workforce needs above and beyond
 14.5 what employees were offered prior to January 1, 2022, including retention and recruitment
 14.6 bonuses and tuition reimbursement.

14.7 (c) Compensation-related costs for persons employed in the central office of a corporation
 14.8 or entity that has an ownership interest in the provider or exercises control over the provider,
 14.9 or for persons paid by the provider under a management contract, do not count toward the
 14.10 80 percent requirement under this paragraph subdivision.

14.11 (d) A provider agency or individual provider that receives a rate subject to the
 14.12 requirements of this paragraph subdivision shall prepare, and upon request submit to the
 14.13 commissioner, a distribution plan that specifies the amount of money the provider expects
 14.14 to receive that is subject to the requirements of this paragraph subdivision, including how
 14.15 that money was or will be distributed to increase compensation-related costs for employees.
 14.16 Within 60 days of final implementation of a rate adjustment subject to the requirements of
 14.17 this paragraph subdivision, the provider must post the distribution plan and leave it posted
 14.18 for a period of at least six months in an area of the provider's operation to which all direct
 14.19 support professionals have access.

14.20 (e) This subdivision expires June 30, 2024.

14.21 Sec. Minnesota Statutes 2020, section 256B.4914, subdivision 6, as amended by Laws
 14.22 2021, First Special Session chapter 7, article 13, section 43, is amended to read:

14.23 Subd. 6. **Payments for Residential support services; generally.** (a) For purposes of
 14.24 this subdivision section, residential support services includes 24-hour customized living
 14.25 services, community residential services, customized living services, family residential
 14.26 services, ~~foster care services,~~ and integrated community supports, ~~and supportive living~~
 14.27 ~~services daily.~~

14.28 (b) A unit of service for residential support services is a day. Any portion of any calendar
 14.29 day, within allowable Medicaid rules, where an individual spends time in a residential setting
 14.30 is billable as a day. The number of days authorized for all individuals enrolling in residential
 14.31 support services must include every day that services start and end.

15.1 (c) When the available shared staffing hours in a residential setting are insufficient to
 15.2 meet the needs of an individual who enrolled in residential support services after January
 15.3 1, 2014, then individual staffing hours shall be used.

15.4 Subd. 6a. Community residential services; component values and calculation of
 15.5 payment rates. (a) Component values for community residential services are:

15.6 (1) competitive workforce factor: 4.7 percent;

15.7 (2) supervisory span of control ratio: 11 percent;

15.8 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

15.9 (4) employee-related cost ratio: 23.6 percent;

15.10 (5) general administrative support ratio: 13.25 percent;

15.11 (6) program-related expense ratio: 1.3 percent; and

15.12 (7) absence and utilization factor ratio: 3.9 percent.

15.13 (b) Payments for community residential services, ~~corporate foster care services, corporate~~
 15.14 ~~supportive living services daily, family residential services, and family foster care services~~
 15.15 must be calculated as follows:

15.16 (1) determine the number of shared direct staffing and individual direct staff staffing
 15.17 hours to meet a recipient's needs provided on site or through monitoring technology;

15.18 (2) ~~personnel determine the appropriate hourly staff wage rate must be based on the~~
 15.19 ~~2009 Bureau of Labor Statistics Minnesota-specific rates or rates derived by the commissioner~~
 15.20 as provided in ~~subdivision 5~~ subdivisions 5 and 5a;

15.21 (3) except for ~~subdivision 5, paragraph (a), clauses (4) and (21) to (23)~~ subdivision 5a,
 15.22 clauses (1) to (4), multiply the result of clause (2) by the product of one plus the competitive
 15.23 workforce factor in subdivision 5, paragraph (b), clause (1);

15.24 (4) for a recipient requiring customization for deaf and hard-of-hearing language
 15.25 accessibility under subdivision 12, add the customization rate provided in subdivision 12
 15.26 to the result of clause (3);

15.27 (5) multiply the number of shared direct staffing and individual direct staff staffing hours
 15.28 provided on site or through monitoring technology and nursing hours by the appropriate
 15.29 staff wages;

15.30 (6) multiply the number of shared direct staffing and individual direct staff staffing hours
 15.31 provided on site or through monitoring technology and nursing hours by the product of the

16.1 supervision span of control ratio ~~in subdivision 5, paragraph (b), clause (2)~~, and the
 16.2 appropriate ~~supervision~~ supervisory staff wage in subdivision 5, ~~paragraph (a), clause (21)~~
 16.3 5a, clause (1);

16.4 (7) combine the results of clauses (5) and (6), excluding any shared direct staffing and
 16.5 individual direct ~~staff~~ staffing hours provided through monitoring technology, and multiply
 16.6 the result by one plus the employee vacation, sick, and training allowance ratio ~~in subdivision~~
 16.7 5, paragraph (b), clause (3). This is defined as the direct staffing cost;

16.8 (8) for employee-related expenses, multiply the direct staffing cost, excluding any shared
 16.9 and individual direct ~~staff~~ staffing hours provided through monitoring technology, by one
 16.10 plus the employee-related cost ratio ~~in subdivision 5, paragraph (b), clause (4)~~;

16.11 (9) for client programming and supports, ~~the commissioner shall add \$2,179~~ \$2,260.21
 16.12 divided by 365. The commissioner shall update the amount in this clause as specified in
 16.13 subdivision 5b; and

16.14 (10) for transportation, if provided, ~~the commissioner shall add \$1,680~~ \$1,742.62 divided
 16.15 by 365, or ~~\$3,000~~ \$3,111.81 divided by 365 if customized for adapted transport, based on
 16.16 the resident with the highest assessed need. The commissioner shall update the amounts in
 16.17 this clause as specified in subdivision 5b;

16.18 ~~(e) The total rate must be calculated using the following steps:~~

16.19 ~~(1)~~ (11) subtotal ~~paragraph (b)~~, clauses (8) to (10); and the direct staffing cost of any
 16.20 shared and individual direct ~~staff~~ staffing hours provided through monitoring technology
 16.21 that was excluded in clause (8);

16.22 ~~(2)~~ (12) sum the standard general ~~and~~ administrative ~~rate~~ support ratio, the
 16.23 program-related expense ratio, and the absence and utilization factor ratio;

16.24 ~~(3)~~ (13) divide the result of clause ~~(1)~~ (11) by one minus the result of clause ~~(2)~~ (12).
 16.25 This is the total payment amount; and

16.26 ~~(4)~~ (14) adjust the result of clause ~~(3)~~ (13) by a factor to be determined by the
 16.27 commissioner to adjust for regional differences in the cost of providing services.

16.28 Subd. 6b. Family residential services; component values and calculation of payment
 16.29 rates. (a) Component values for family residential services are:

16.30 (1) competitive workforce factor: 4.7 percent;

16.31 (2) supervisory span of control ratio: 11 percent;

16.32 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

- 17.1 (4) employee-related cost ratio: 23.6 percent;
- 17.2 (5) general administrative support ratio: 3.3 percent;
- 17.3 (6) program-related expense ratio: 1.3 percent; and
- 17.4 (7) absence factor: 1.7 percent.
- 17.5 (b) Payments for family residential services must be calculated as follows:
- 17.6 (1) determine the number of shared direct staffing hours and individual direct staffing
- 17.7 hours to meet a recipient's needs provided on site or through monitoring technology;
- 17.8 (2) determine the appropriate hourly staff wage rates derived by the commissioner as
- 17.9 provided in subdivisions 5 and 5a;
- 17.10 (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the
- 17.11 product of one plus the competitive workforce factor;
- 17.12 (4) for a recipient requiring customization for deaf and hard-of-hearing language
- 17.13 accessibility under subdivision 12, add the cusomizaiton rate provided in subdivision 12 to
- 17.14 the result of clause (3);
- 17.15 (5) multiply the number of shared direct staffing and individual direct staffing hours
- 17.16 provided on site or through monitoring technology and nursing hours by the appropriate
- 17.17 staff wages;
- 17.18 (6) multiply the number of shared direct staffing and individual direct staffing hours
- 17.19 provided on site or through monitoring technology and nursing hours by the product of the
- 17.20 supervisory span of control ratio, and the appropriate supervisory staff wage in subdivision
- 17.21 5a, clause (1);
- 17.22 (7) combine the results of clauses (5) and (6), excluding any shared direct staffing and
- 17.23 individual direct staffing hours provided through monitoring technology, and multiply the
- 17.24 result by one plus the employee vacation, sick, and training allowance ratio. This is defined
- 17.25 as the direct staffing cost;
- 17.26 (8) for employee-related expenses, multiply the direct staffing cost, excluding any shared
- 17.27 and individual direct staffing hours provided through monitoring technology, by one plus
- 17.28 the employee-related cost ratio;
- 17.29 (9) for client programming and supports, add \$2,260.21 divided by 365. The
- 17.30 commissioner shall update the amount in this clause as specified in subdivision 5b;

18.1 (10) for transportation, if provided, add \$1,742.62 divided by 365, or \$3,111.81 divided
18.2 by 365 if customized for adapted transport, based on the resident with the highest assessed
18.3 need. The commissioner shall update the amounts in this clause as specified in subdivision
18.4 5b;

18.5 (11) subtotal clauses (8) to (10) and the direct staffing cost of any shared and individual
18.6 direct staffing hours provided through monitoring technology that was excluded in clause
18.7 (8);

18.8 (12) sum the standard general administrative support ratio, the program-related expense
18.9 ratio, and the absence and utilization factor ratio;

18.10 (13) divide the result of clause (11) by one minus the result of clause (12). This the total
18.11 payment rate; and

18.12 (14) adjust the result of clause (13) by a factor to be determined by the commissioner
18.13 to adjust for regional differences in the cost of providing services.

18.14 ~~(d) The payment methodology for customized living and 24-hour customized living~~
18.15 ~~must be the customized living tool. The commissioner shall revise the customized living~~
18.16 ~~tool to reflect the services and activities unique to disability-related recipient needs, and~~
18.17 ~~adjust for regional differences in the cost of providing services.~~

18.18 ~~The rate adjustments described in section 256S.205 do not apply to rates paid under this~~
18.19 ~~section.~~

18.20 ~~Customized living and 24-hour customized living rates determined under this section~~
18.21 ~~shall not include more than 24 hours of support in a daily unit.~~

18.22 ~~The commissioner shall establish the following acuity-based customized living tool~~
18.23 ~~input limits, based on case mix, for customized living and 24-hour customized living rates~~
18.24 ~~determined under this section:~~

18.25 ~~(1) no more than two hours of mental health management per day for people assessed~~
18.26 ~~for case mixes A, D, and G;~~

18.27 ~~(2) no more than four hours of activities of daily living assistance per day for people~~
18.28 ~~assessed for case mix B; and~~

18.29 ~~(3) no more than six hours of activities of daily living assistance per day for people~~
18.30 ~~assessed for case mix D.~~

18.31 Subd. 6c. **Integrated community supports; component values and calculation of**
18.32 payment rates. (e) (a) Component values for integrated community supports are:

19.1 (1) competitive workforce factor: 4.7 percent;

19.2 (2) supervisory span of control ratio: 11 percent;

19.3 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

19.4 (4) employee-related cost ratio: 23.6 percent;

19.5 (5) general administrative support ratio: 13.25 percent;

19.6 (6) program-related expense ratio: 1.3 percent; and

19.7 (7) absence and utilization factor ratio: 3.9 percent.

19.8 (b) Payments for integrated community support services supports must be calculated as
19.9 follows:

19.10 (1) determine the number of shared direct and individual direct staffing hours to meet

19.11 a recipient's needs. The base shared direct staffing hours must be eight hours divided by the
19.12 number of people receiving support in the integrated community support setting; ~~(2)~~, and
19.13 the individual direct staffing hours must be the average number of direct support hours
19.14 provided directly to the service recipient;

19.15 ~~(3) the personnel~~ (2) determine the appropriate hourly staff wage rate must be based on
19.16 ~~the most recent Bureau of Labor Statistics Minnesota-specific rates or rates derived by the~~
19.17 commissioner as provided in ~~subdivision 5~~ subdivisions 5 and 5a;

19.18 ~~(4) (3) except for subdivision 5, paragraph (a), clauses (4) and (21) to (23)~~ 5a, clauses
19.19 (1) to (4), multiply the result of clause (3) (2) by the product of one plus the competitive
19.20 workforce factor in subdivision 5, paragraph (b), clause (1);

19.21 ~~(5) (4)~~ (4) for a recipient requiring customization for deaf and hard-of-hearing language
19.22 accessibility under subdivision 12, add the customization rate provided in subdivision 12
19.23 to the result of clause (4) (3);

19.24 ~~(6) (5)~~ multiply the number of shared direct staffing and individual direct staff staffing
19.25 hours in clauses (1) and (2) clause (1) by the appropriate staff wages;

19.26 ~~(7) (6)~~ multiply the number of shared direct staffing and individual direct staff staffing
19.27 hours in clauses (1) and (2) clause (1) by the product of the supervisory span of control ratio
19.28 in subdivision 5, paragraph (b), clause (2), and the appropriate supervisory staff wage in
19.29 subdivision 5, paragraph (a), clause (21) 5a, clause (1);

20.1 ~~(8)~~ (7) combine the results of clauses ~~(6)~~ (5) and ~~(7)~~ (6) and multiply the result by one
 20.2 plus the employee vacation, sick, and training allowance ratio ~~in subdivision 5, paragraph~~
 20.3 ~~(b), clause (3)~~. This is defined as the direct staffing cost;

20.4 ~~(9)~~ (8) for employee-related expenses, multiply the direct staffing cost by one plus the
 20.5 employee-related cost ratio ~~in subdivision 5, paragraph (b), clause (4); and~~

20.6 ~~(10)~~ (9) for client programming and supports, ~~the commissioner shall~~ add \$2,260.21
 20.7 divided by 365. The commissioner shall update the amount in this clause as specified in
 20.8 subdivision 5b;

20.9 ~~(f) The total rate must be calculated as follows:~~

20.10 ~~(1)~~ (10) add the results of ~~paragraph (e)~~, clauses ~~(9)~~ (8) and ~~(10)~~ (9);

20.11 ~~(2)~~ (11) add the standard general ~~and~~ administrative ~~rate~~ support ratio, the program-related
 20.12 expense ratio, and the absence and utilization factor ratio;

20.13 ~~(3)~~ (12) divide the result of clause ~~(1)~~ (10) by one minus the result of clause ~~(2)~~ (11).
 20.14 This is the total payment amount; and

20.15 ~~(4)~~ (13) adjust the result of clause ~~(3)~~ (12) by a factor to be determined by the
 20.16 commissioner to adjust for regional differences in the cost of providing services.

20.17 ~~(g) The number of days authorized for all individuals enrolling in residential services~~
 20.18 ~~must include every day that services start and end.~~

20.19 Subd. 6d. Payment for customized living. (a) The payment methodology for customized
 20.20 living and 24-hour customized living must be the customized living tool. The commissioner
 20.21 shall revise the customized living tool to reflect the services and activities unique to
 20.22 disability-related recipient needs, and adjust for regional differences in the cost of providing
 20.23 services.

20.24 (b) The rate adjustments described in section 256S.205 do not apply to rates paid under
 20.25 this section.

20.26 (c) Customized living and 24-hour customized living rates determined under this section
 20.27 shall not include more than 24 hours of support in a daily unit.

20.28 (d) The commissioner shall establish the following acuity-based customized living tool
 20.29 input limits, based on case mix, for customized living and 24-hour customized living rates
 20.30 determined under this section:

20.31 (1) no more than two hours of mental health management per day for people assessed
 20.32 for case mixes A, D, and G;

21.1 (2) no more than four hours of activities of daily living assistance per day for people
 21.2 assessed for case mix B; and

21.3 (3) no more than six hours of activities of daily living assistance per day for people
 21.4 assessed for case mix D.

21.5 Sec. Minnesota Statutes 2020, section 256B.4914, subdivision 7, is amended to read:

21.6 Subd. 7. **Payments for Day programs; generally.** ~~Payments for services with~~ (a) For
 21.7 the purposes of this section, day programs including include adult day services, ~~day treatment~~
 21.8 ~~and habilitation, day support services, and prevocational services, and structured day services~~
 21.9 ~~must be calculated as follows:~~

21.10 ~~(1) determine the number of units of service and staffing ratio to meet a recipient's needs:~~

21.11 ~~(i) (b) The staffing ratios for the units of service provided by a day program to a recipient~~
 21.12 ~~in a typical week must be averaged to determine an individual's staffing ratio; and .~~

21.13 ~~(ii) (c) The commissioner, in consultation with service providers, shall develop a uniform~~
 21.14 ~~staffing ratio worksheet to be used by day programs to determine staffing ratios under this~~
 21.15 ~~subdivision; for day programs.~~

21.16 Subd. 7a. **Adult day services; component values and calculation of payment rates.** (a)

21.17 Component values for adult day services are:

21.18 (1) competitive workforce factor: 4.7 percent;

21.19 (2) supervisory span of control ratio: 11 percent;

21.20 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

21.21 (4) employee-related cost ratio: 23.6 percent;

21.22 (5) program plan support ratio: 5.6 percent;

21.23 (6) client programming and support ratio: 7.4 percent, updated as specified in subdivision

21.24 5b;

21.25 (7) general administrative support ratio: 13.25 percent;

21.26 (8) program-related expense ratio: 1.8 percent; and

21.27 (9) absence and utilization factor ratio: 9.4 percent.

21.28 (b) A unit of service for adult day services is either a day or 15 minutes. A day unit of
 21.29 service is six or more hours of time spent providing direct service.

21.30 (c) Payments for adult day services must be calculated as follows:

- 22.1 (1) determine the number of units of service and staffing ratio to meet a recipient's needs;
- 22.2 ~~(2) personnel determine the appropriate hourly staff wage rates must be based on the~~
- 22.3 ~~2009 Bureau of Labor Statistics Minnesota-specific rates or rates derived by the commissioner~~
- 22.4 ~~as provided in subdivision 5~~ subdivisions 5 and 5a;
- 22.5 ~~(3) except for subdivision 5, paragraph (a), clauses (4) and (21) to (23)~~ 5a, clauses (1)
- 22.6 to (4), multiply the result of clause (2) by the product of one plus the competitive workforce
- 22.7 ~~factor in subdivision 5, paragraph (d), clause (1);~~
- 22.8 (4) for a recipient requiring customization for deaf and hard-of-hearing language
- 22.9 accessibility under subdivision 12, add the customization rate provided in subdivision 12
- 22.10 to the result of clause (3);
- 22.11 (5) multiply the number of day program direct ~~staff~~ staffing hours and nursing hours by
- 22.12 the appropriate staff wage;
- 22.13 (6) multiply the number of day program direct ~~staff~~ staffing hours by the product of the
- 22.14 ~~supervision~~ supervisory span of control ratio ~~in subdivision 5, paragraph (d), clause (2),~~
- 22.15 and the appropriate ~~supervision~~ supervisory staff wage in subdivision 5, ~~paragraph (a),~~
- 22.16 ~~clause (21)~~ 5a, clause (1);
- 22.17 (7) combine the results of clauses (5) and (6), and multiply the result by one plus the
- 22.18 employee vacation, sick, and training allowance ratio ~~in subdivision 5, paragraph (d), clause~~
- 22.19 ~~(3)~~. This is defined as the direct staffing rate;
- 22.20 (8) for program plan support, multiply the result of clause (7) by one plus the program
- 22.21 plan support ratio ~~in subdivision 5, paragraph (d), clause (5);~~
- 22.22 (9) for employee-related expenses, multiply the result of clause (8) by one plus the
- 22.23 employee-related cost ratio ~~in subdivision 5, paragraph (d), clause (4);~~
- 22.24 (10) for client programming and supports, multiply the result of clause (9) by one plus
- 22.25 the client programming and support ratio ~~in subdivision 5, paragraph (d), clause (6);~~
- 22.26 (11) for program facility costs, add \$19.30 per week with consideration of staffing ratios
- 22.27 to meet individual needs, updated as specified in subdivision 5b;
- 22.28 (12) for adult day bath services, add \$7.01 per 15 minute unit;
- 22.29 (13) this is the subtotal rate;
- 22.30 (14) sum the standard general ~~and~~ administrative rate support ratio, the program-related
- 22.31 expense ratio, and the absence and utilization factor ratio;

23.1 (15) divide the result of clause (13) by one minus the result of clause (14). This is the
23.2 total payment amount; and

23.3 (16) adjust the result of clause (15) by a factor to be determined by the commissioner
23.4 to adjust for regional differences in the cost of providing services;

23.5 ~~(17) for transportation provided as part of day training and habilitation for an individual~~
23.6 ~~who does not require a lift, add:~~

23.7 ~~(i) \$10.50 for a trip between zero and ten miles for a nonshared ride in a vehicle without~~
23.8 ~~a lift, \$8.83 for a shared ride in a vehicle without a lift, and \$9.25 for a shared ride in a~~
23.9 ~~vehicle with a lift;~~

23.10 ~~(ii) \$15.75 for a trip between 11 and 20 miles for a nonshared ride in a vehicle without~~
23.11 ~~a lift, \$10.58 for a shared ride in a vehicle without a lift, and \$11.88 for a shared ride in a~~
23.12 ~~vehicle with a lift;~~

23.13 ~~(iii) \$25.75 for a trip between 21 and 50 miles for a nonshared ride in a vehicle without~~
23.14 ~~a lift, \$13.92 for a shared ride in a vehicle without a lift, and \$16.88 for a shared ride in a~~
23.15 ~~vehicle with a lift; or~~

23.16 ~~(iv) \$33.50 for a trip of 51 miles or more for a nonshared ride in a vehicle without a lift,~~
23.17 ~~\$16.50 for a shared ride in a vehicle without a lift, and \$20.75 for a shared ride in a vehicle~~
23.18 ~~with a lift;~~

23.19 ~~(18) for transportation provided as part of day training and habilitation for an individual~~
23.20 ~~who does require a lift, add:~~

23.21 ~~(i) \$19.05 for a trip between zero and ten miles for a nonshared ride in a vehicle with a~~
23.22 ~~lift, and \$15.05 for a shared ride in a vehicle with a lift;~~

23.23 ~~(ii) \$32.16 for a trip between 11 and 20 miles for a nonshared ride in a vehicle with a~~
23.24 ~~lift, and \$28.16 for a shared ride in a vehicle with a lift;~~

23.25 ~~(iii) \$58.76 for a trip between 21 and 50 miles for a nonshared ride in a vehicle with a~~
23.26 ~~lift, and \$58.76 for a shared ride in a vehicle with a lift; or~~

23.27 ~~(iv) \$80.93 for a trip of 51 miles or more for a nonshared ride in a vehicle with a lift,~~
23.28 ~~and \$80.93 for a shared ride in a vehicle with a lift.~~

23.29 **Subd. 7b. Day support services; component values and calculation of payment**
23.30 **rates. (a) Component values for day support services are:**

23.31 **(1) competitive workforce factor: 4.7 percent;**

- 24.1 (2) supervisory span of control ratio: 11 percent;
- 24.2 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 24.3 (4) employee-related cost ratio: 23.6 percent;
- 24.4 (5) program plan support ratio: 5.6 percent;
- 24.5 (6) client programming and support ratio: 10.37 percent, updated as specified in
24.6 subdivision 5b;
- 24.7 (7) general administrative support ratio: 13.25 percent;
- 24.8 (8) program-related expense ratio: 1.8 percent; and
- 24.9 (9) absence and utilization factor ratio: 9.4 percent.
- 24.10 (b) A unit of service for day support services is 15 minutes.
- 24.11 (c) Payments for day support services must be calculated as follows:
- 24.12 (1) determine the number of units of service and staffing ratio to meet a recipient's needs;
- 24.13 (2) determine the appropriate hourly staff wage rates derived by the commissioner as
24.14 provided in subdivisions 5 and 5a;
- 24.15 (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the
24.16 product of one plus the competitive workforce factor;
- 24.17 (4) for a recipient requiring customization for deaf and hard-of-hearing language
24.18 accessibility under subdivision 12, add the customization rate provided in subdivision 12
24.19 to the result of clause (3);
- 24.20 (5) multiply the number of day program direct staffing hours and nursing hours by the
24.21 appropriate staff wage;
- 24.22 (6) multiply the number of day program direct staffing hours by the product of the
24.23 supervisory span of control ratio and the appropriate supervisory staff wage in subdivision
24.24 5a, clause (1);
- 24.25 (7) combine the results of clauses (5) and (6), and multiply the result by one plus the
24.26 employee vacation, sick, and training allowance ratio. This is defined as the direct staffing
24.27 rate;
- 24.28 (8) for program plan support, multiply the result of clause (7) by one plus the program
24.29 plan support ratio;

25.1 (9) for employee-related expenses, multiply the result of clause (8) by one plus the
25.2 employee-related cost ratio;

25.3 (10) for client programming and supports, multiply the result of clause (9) by one plus
25.4 the client programming and support ratio;

25.5 (11) for program facility costs, add \$19.30 per week with consideration of staffing ratios
25.6 to meet individual needs, updated as specified in subdivision 5b;

25.7 (12) this is the subtotal rate;

25.8 (13) sum the standard general administrative rate support ratio, the program-related
25.9 expense ratio, and the absence and utilization factor ratio;

25.10 (14) divide the result of clause (12) by one minus the result of clause (13). This is the
25.11 total payment amount; and

25.12 (15) adjust the result of clause (14) by a factor to be determined by the commissioner
25.13 to adjust for regional differences in the cost of providing services.

25.14 **Subd. 7c. Prevocational services; component values and calculation of payment**
25.15 **rates. (a) Component values for prevocational services are:**

25.16 (1) competitive workforce factor: 4.7 percent;

25.17 (2) supervisory span of control ratio: 11 percent;

25.18 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

25.19 (4) employee-related cost ratio: 23.6 percent;

25.20 (5) program plan support ratio: 5.6 percent;

25.21 (6) client programming and support ratio: 10.37 percent, updated as specified in
25.22 subdivision 5b;

25.23 (7) general administrative support ratio: 13.25 percent;

25.24 (8) program-related expense ratio: 1.8 percent; and

25.25 (9) absence and utilization factor ratio: 9.4 percent.

25.26 (b) A unit of service for prevocational services is either a day or 15 minutes. A day unit
25.27 of service is six or more hours of time spent providing direct service.

25.28 (c) Payments for prevocational services must be calculated as follows:

25.29 (1) determine the number of units of service and staffing ratio to meet a recipient's needs;

26.1 (2) determine the appropriate hourly staff wage rates derived by the commissioner as
26.2 provided in subdivisions 5 and 5a;

26.3 (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the
26.4 product of one plus the competitive workforce factor;

26.5 (4) for a recipient requiring customization for deaf and hard-of-hearing language
26.6 accessibility under subdivision 12, add the customization rate provided in subdivision 12
26.7 to the result of clause (3);

26.8 (5) multiply the number of day program direct staffing hours and nursing hours by the
26.9 appropriate staff wage;

26.10 (6) multiply the number of day program direct staffing hours by the product of the
26.11 supervisory span of control ratio, and the appropriate supervisory staff wage in subdivision
26.12 5a, clause (1);

26.13 (7) combine the results of clauses (5) and (6), and multiply the result by one plus the
26.14 employee vacation, sick, and training allowance ratio. This is defined as the direct staffing
26.15 rate;

26.16 (8) for program plan support, multiply the result of clause (7) by one plus the program
26.17 plan support ratio;

26.18 (9) for employee-related expenses, multiply the result of clause (8) by one plus the
26.19 employee-related cost ratio;

26.20 (10) for client programming and supports, multiply the result of clause (9) by one plus
26.21 the client programming and support ratio;

26.22 (11) for program facility costs, add \$19.30 per week with consideration of staffing ratios
26.23 to meet individual needs, updated as specified in subdivision 5b;

26.24 (12) this is the subtotal rate;

26.25 (13) sum the standard general administrative rate support ratio, the program-related
26.26 expense ratio, and the absence and utilization factor ratio;

26.27 (14) divide the result of clause (12) by one minus the result of clause (13). This is the
26.28 total payment amount; and

26.29 (15) adjust the result of clause (14) by a factor to be determined by the commissioner
26.30 to adjust for regional differences in the cost of providing services.

27.1 Sec. Minnesota Statutes 2020, section 256B.4914, subdivision 8, is amended to read:

27.2 Subd. 8. **Payments for Unit-based services with programming; component values**
27.3 **and calculation of payment rates.** ~~Payments for~~ (a) For the purpose of this section,
27.4 unit-based services with programming, including include employment exploration services,
27.5 employment development services, housing access coordination employment support
27.6 services, individualized home supports with family training, individualized home supports
27.7 with training, in-home family support, independent living skills training, and hourly supported
27.8 living positive support services provided to an individual outside of any service plan for a
27.9 day program or residential support service plan.

27.10 (b) Component values for unit-based services with programming are:

27.11 (1) competitive workforce factor: 4.7 percent;

27.12 (2) supervisory span of control ratio: 11 percent;

27.13 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

27.14 (4) employee-related cost ratio: 23.6 percent;

27.15 (5) program plan support ratio: 15.5 percent;

27.16 (6) client programming and support ratio: 4.7 percent, updated as specified in subdivision
27.17 5b;

27.18 (7) general administrative support ratio: 13.25 percent;

27.19 (8) program-related expense ratio: 6.1 percent; and

27.20 (9) absence and utilization factor ratio: 3.9 percent.

27.21 (c) A unit of service for unit-based services with programming is 15 minutes.

27.22 (d) Payments for unit-based services with programming must be calculated as follows,
27.23 unless the services are authorized reimbursed separately under subdivision 6 or 7 as part of
27.24 a residential support services or day program payment rate:

27.25 (1) determine the number of units of service to meet a recipient's needs;

27.26 (2) ~~personnel determine the appropriate hourly staff wage rate must be based on the~~
27.27 ~~2009 Bureau of Labor Statistics Minnesota-specific rates or rates derived by the commissioner~~
27.28 ~~as provided in subdivision 5 subdivisions 5 and 5a;~~

27.29 (3) except for subdivision 5, paragraph (a), clauses (4) and (21) to (23) 5a, clauses (1)
27.30 to (4), multiply the result of clause (2) by the product of one plus the competitive workforce
27.31 factor in subdivision 5, paragraph (f), clause (1);

28.1 (4) for a recipient requiring customization for deaf and hard-of-hearing language
 28.2 accessibility under subdivision 12, add the customization rate provided in subdivision 12
 28.3 to the result of clause (3);

28.4 (5) multiply the number of direct ~~staff~~ staffing hours by the appropriate staff wage;

28.5 (6) multiply the number of direct ~~staff~~ staffing hours by the product of the ~~supervision~~
 28.6 supervisory span of control ratio ~~in subdivision 5, paragraph (f), clause (2)~~, and the
 28.7 appropriate ~~supervision~~ supervisory staff wage in subdivision 5, ~~paragraph (a), clause (21)~~
 28.8 5a, clause (1);

28.9 (7) combine the results of clauses (5) and (6), and multiply the result by one plus the
 28.10 employee vacation, sick, and training allowance ratio ~~in subdivision 5, paragraph (f), clause~~
 28.11 ~~(3)~~. This is defined as the direct staffing rate;

28.12 (8) for program plan support, multiply the result of clause (7) by one plus the program
 28.13 plan ~~supports~~ support ratio ~~in subdivision 5, paragraph (f), clause (5)~~;

28.14 (9) for employee-related expenses, multiply the result of clause (8) by one plus the
 28.15 employee-related cost ratio ~~in subdivision 5, paragraph (f), clause (4)~~;

28.16 (10) for client programming and supports, multiply the result of clause (9) by one plus
 28.17 the client programming and ~~supports~~ support ratio ~~in subdivision 5, paragraph (f), clause~~
 28.18 ~~(6)~~;

28.19 (11) this is the subtotal rate;

28.20 (12) sum the standard general ~~and~~ administrative ~~rate~~ support ratio, the program-related
 28.21 expense ratio, and the absence and utilization factor ratio;

28.22 (13) divide the result of clause (11) by one minus the result of clause (12). This is the
 28.23 total payment amount;

28.24 (14) for services provided in a shared manner, divide the total payment in clause (13)
 28.25 as follows:

28.26 (i) for employment exploration services ~~provided in a shared manner~~, divide the total
 28.27 ~~payment amount in clause (13)~~ by the number of service recipients, not to exceed five;

28.28 (ii) for employment support services ~~provided in a shared manner~~, divide the total
 28.29 ~~payment amount in clause (13)~~ by the number of service recipients, not to exceed six; and

28.30 (iii) for independent living skills training, individualized home supports with training,
 28.31 and individualized home supports with family training ~~provided in a shared manner~~, divide

29.1 ~~the total payment amount in clause (13)~~ by the number of service recipients, not to exceed
 29.2 two; and

29.3 (15) adjust the result of clause (14) by a factor to be determined by the commissioner
 29.4 to adjust for regional differences in the cost of providing services.

29.5 Sec. Minnesota Statutes 2020, section 256B.4914, subdivision 9, is amended to read:

29.6 Subd. 9. **Payments for Unit-based services without programming; component values**
 29.7 **and calculation of payment rates.** ~~Payments for~~ (a) For the purposes of this subdivision,
 29.8 unit-based services without programming, ~~including~~ include individualized home supports
 29.9 without training, and night supervision, ~~personal support, respite, and companion care~~
 29.10 provided to an individual outside of any service plan for a day program or residential support
 29.11 service plan. Unit-based services without programming do not include respite.

29.12 (b) Component values for unit-based services without programming are:

29.13 (1) competitive workforce factor: 4.7 percent;

29.14 (2) supervisory span of control ratio: 11 percent;

29.15 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

29.16 (4) employee-related cost ratio: 23.6 percent;

29.17 (5) program plan support ratio: 7.0 percent;

29.18 (6) client programming and support ratio: 2.3 percent, updated as specified in subdivision

29.19 5b;

29.20 (7) general administrative support ratio: 13.25 percent;

29.21 (8) program-related expense ratio: 2.9 percent; and

29.22 (9) absence and utilization factor ratio: 3.9 percent.

29.23 (c) A unit of service for unit-based services without programming is 15 minutes.

29.24 (d) Payments for unit-based services without programming must be calculated as follows
 29.25 unless the services are authorized reimbursed separately under subdivision 6 or 7 as part of
 29.26 a residential support services or day program payment rate:

29.27 (1) ~~for all services except respite,~~ determine the number of units of service to meet a
 29.28 recipient's needs;

30.1 (2) ~~personnel~~ determine the appropriate hourly staff wage rates must be based on the
30.2 ~~2009 Bureau of Labor Statistics Minnesota-specific rate or~~ rates derived by the commissioner
30.3 as provided in ~~subdivision 5~~ subdivisions 5 to 5a;

30.4 (3) except for subdivision 5, ~~paragraph (a), clauses (4) and (21) to (23)~~ 5a, clauses (1)
30.5 to (4), multiply the result of clause (2) by the product of one plus the competitive workforce
30.6 factor ~~in subdivision 5, paragraph (g), clause (1)~~;

30.7 (4) for a recipient requiring customization for deaf and hard-of-hearing language
30.8 accessibility under subdivision 12, add the customization rate provided in subdivision 12
30.9 to the result of clause (3);

30.10 (5) multiply the number of direct ~~staff~~ staffing hours by the appropriate staff wage;

30.11 (6) multiply the number of direct ~~staff~~ staffing hours by the product of the ~~supervision~~
30.12 supervisory span of control ratio ~~in subdivision 5, paragraph (g), clause (2)~~, and the
30.13 appropriate ~~supervision~~ supervisory staff wage in subdivision 5, ~~paragraph (a), clause (21)~~
30.14 5a, clause (1);

30.15 (7) combine the results of clauses (5) and (6), and multiply the result by one plus the
30.16 employee vacation, sick, and training allowance ratio ~~in subdivision 5, paragraph (g), clause~~
30.17 ~~(3)~~. This is defined as the direct staffing rate;

30.18 (8) for program plan support, multiply the result of clause (7) by one plus the program
30.19 plan support ratio ~~in subdivision 5, paragraph (g), clause (5)~~;

30.20 (9) for employee-related expenses, multiply the result of clause (8) by one plus the
30.21 employee-related cost ratio ~~in subdivision 5, paragraph (g), clause (4)~~;

30.22 (10) for client programming and supports, multiply the result of clause (9) by one plus
30.23 the client programming and support ratio ~~in subdivision 5, paragraph (g), clause (6)~~;

30.24 (11) this is the subtotal rate;

30.25 (12) sum the standard general ~~and~~ administrative ~~rate~~ support ratio, the program-related
30.26 expense ratio, and the absence and utilization factor ratio;

30.27 (13) divide the result of clause (11) by one minus the result of clause (12). This is the
30.28 total payment amount;

30.29 (14) for individualized home supports without training provided in a shared manner,
30.30 divide the total payment amount in clause (13) by the number of service recipients, not to
30.31 exceed two; and

31.1 (15) adjust the result of clause (14) by a factor to be determined by the commissioner
 31.2 to adjust for region differences in the cost of providing services.

31.3 Subd. 9a. **Respite services; component values and calculation of payment rates.** (a)

31.4 For the purposes of this section, respite services include respite services provided to an
 31.5 individual outside of any service plan for a day program or residential support service.

31.6 (b) Component values for respite services are:

31.7 (1) competitive workforce factor: 4.7 percent;

31.8 (2) supervisory span of control ratio: 11 percent;

31.9 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

31.10 (4) employee-related cost ratio: 23.6 percent;

31.11 (5) general administrative support ratio: 13.25 percent;

31.12 (6) program-related expense ratio: 2.9 percent; and

31.13 (7) absence and utilization factor ratio: 3.9 percent.

31.14 (c) A unit of service for respite services is 15 minutes.

31.15 (d) Payments for respite services must be calculated as follows unless the service is
 31.16 reimbursed separately as part of a residential support services or day program payment rate:

31.17 ~~(14) for respite services;~~ (1) determine the number of day units of service to meet an
 31.18 individual's needs;

31.19 ~~(15) personnel~~ (2) determine the appropriate hourly staff wage rates must be based on
 31.20 ~~the 2009 Bureau of Labor Statistics Minnesota-specific rate or rates derived by the~~
 31.21 ~~commissioner as provided in subdivision 5~~ subdivisions 5 and 5a;

31.22 ~~(16) (3) except for subdivision 5, paragraph (a), clauses (4) and (21) to (23)~~ 5a, clauses
 31.23 (1) to (4), multiply the result of clause (15) (2) by the product of one plus the competitive
 31.24 workforce factor in subdivision 5, paragraph (h), clause (1);

31.25 ~~(17) (4)~~ (4) for a recipient requiring deaf and hard-of-hearing customization under subdivision
 31.26 12, add the customization rate provided in subdivision 12 to the result of clause (16) (3);

31.27 ~~(18) (5)~~ (5) multiply the number of direct staff staffing hours by the appropriate staff wage;

31.28 ~~(19) (6)~~ (6) multiply the number of direct staff staffing hours by the product of the
 31.29 supervisory span of control ratio in subdivision 5, paragraph (h), clause (2), and the

32.1 appropriate ~~supervision~~ supervisory staff wage in subdivision 5, ~~paragraph (a), clause (21)~~
 32.2 5a, clause (1);

32.3 ~~(20) (7)~~ combine the results of clauses ~~(18) (5)~~ and ~~(19) (6)~~, and multiply the result by
 32.4 one plus the employee vacation, sick, and training allowance ratio in subdivision 5, ~~paragraph~~
 32.5 ~~(h), clause (3)~~. This is defined as the direct staffing rate;

32.6 ~~(21) (8)~~ for employee-related expenses, multiply the result of clause ~~(20) (7)~~ by one plus
 32.7 the employee-related cost ratio in subdivision 5, ~~paragraph (h), clause (4)~~;

32.8 ~~(22) (9)~~ this is the subtotal rate;

32.9 ~~(23) (10)~~ sum the standard general ~~and~~ administrative ~~rate~~ support ratio, the
 32.10 program-related expense ratio, and the absence and utilization factor ratio;

32.11 ~~(24) (11)~~ divide the result of clause ~~(22) (9)~~ by one minus the result of clause ~~(23) (10)~~.
 32.12 This is the total payment amount;

32.13 ~~(25) for individualized home supports provided in a shared manner, divide the total~~
 32.14 ~~payment amount in clause (13) by the number of service recipients, not to exceed two;~~

32.15 ~~(26) (12)~~ for respite ~~care~~ services provided in a shared manner, divide the total payment
 32.16 amount in clause ~~(24) (11)~~ by the number of service recipients, not to exceed three; and

32.17 ~~(27) (13)~~ adjust the result of ~~clauses (13), (25), and (26)~~ clause (12) by a factor to be
 32.18 determined by the commissioner to adjust for regional differences in the cost of providing
 32.19 services.

32.20 Sec. Minnesota Statutes 2020, section 256B.4914, subdivision 10, is amended to read:

32.21 Subd. 10. ~~Updating payment values and additional~~ Evaluation of information and
 32.22 data. (a) The commissioner shall, within available resources, conduct research and gather
 32.23 data and information from existing state systems or other outside sources on the following
 32.24 items:

32.25 (1) differences in the underlying cost to provide services and care across the state; and

32.26 (2) mileage, vehicle type, lift requirements, incidents of individual and shared rides, and
 32.27 units of transportation for all day services, which must be collected from providers using
 32.28 the rate management worksheet and entered into the rates management system; and

32.29 (3) the distinct underlying costs for services provided by a license holder under sections
 32.30 245D.05, 245D.06, 245D.07, 245D.071, 245D.081, and 245D.09, and for services provided
 32.31 by a license holder certified under section 245D.33.

33.1 (b) ~~No later than July 1, 2014,~~ The commissioner, in consultation with stakeholders,
 33.2 shall ~~begin the review and evaluation of~~ evaluate the following values already in subdivisions
 33.3 6 to ~~9~~ 9a, or issues that impact all services, including, but not limited to:

33.4 (1) values for transportation rates;

33.5 (2) values for services where monitoring technology replaces staff time;

33.6 (3) values for indirect services;

33.7 (4) values for nursing;

33.8 (5) values for the facility use rate in day services, and the weightings used in the day
 33.9 service ratios and adjustments to those weightings;

33.10 (6) values for workers' compensation as part of employee-related expenses;

33.11 (7) values for unemployment insurance as part of employee-related expenses;

33.12 (8) direct care workforce labor market measures;

33.13 (9) any changes in state or federal law with a direct impact on the underlying cost of
 33.14 providing home and community-based services;

33.15 (10) outcome measures, determined by the commissioner, for home and community-based
 33.16 services rates determined under this section; and

33.17 (11) different competitive workforce factors by service, as determined under subdivision
 33.18 ~~5, paragraph (j)~~ 10b.

33.19 (c) The commissioner shall report to the chairs and the ranking minority members of
 33.20 the legislative committees and divisions with jurisdiction over health and human services
 33.21 policy and finance with the information and data gathered under paragraphs (a) and (b) on
 33.22 January 15, 2021, with a full report, and a full report once every four years thereafter.

33.23 (d) Beginning July 1, 2022, the commissioner shall renew analysis and implement
 33.24 changes to the regional adjustment factors once every six years. Prior to implementation,
 33.25 the commissioner shall consult with stakeholders on the methodology to calculate the
 33.26 adjustment.

33.27 ~~(e) The commissioner shall provide a public notice via LISTSERV in October of each~~
 33.28 ~~year containing information detailing legislatively approved changes in:~~

33.29 ~~(1) calculation values including derived wage rates and related employee and~~
 33.30 ~~administrative factors;~~

33.31 ~~(2) service utilization;~~

34.1 ~~(3) county and tribal allocation changes; and~~

34.2 ~~(4) information on adjustments made to calculation values and the timing of those~~
 34.3 ~~adjustments.~~

34.4 ~~The information in this notice must be effective January 1 of the following year.~~

34.5 ~~(f) When the available shared staffing hours in a residential setting are insufficient to~~
 34.6 ~~meet the needs of an individual who enrolled in residential services after January 1, 2014,~~
 34.7 ~~then individual staffing hours shall be used.~~

34.8 ~~(g) The commissioner shall collect transportation and trip information for all day services~~
 34.9 ~~through the rates management system.~~

34.10 ~~(h) The commissioner, in consultation with stakeholders, shall study value-based models~~
 34.11 ~~and outcome-based payment strategies for fee-for-service home and community-based~~
 34.12 ~~services and report to the legislative committees with jurisdiction over the disability waiver~~
 34.13 ~~rate system by October 1, 2020, with recommended strategies to: (1) promote new models~~
 34.14 ~~of care, services, and reimbursement structures that require more efficient use of public~~
 34.15 ~~dollars while improving the outcomes most valued by the individuals served; (2) assist~~
 34.16 ~~clients and their families in evaluating options and stretching individual budget funds; (3)~~
 34.17 ~~support individualized, person-centered planning and individual budget choices; and (4)~~
 34.18 ~~create a broader range of client options geographically or targeted at culturally competent~~
 34.19 ~~models for racial and ethnic minority groups.~~

34.20 Sec. Minnesota Statutes 2020, section 256B.4914, subdivision 10a, is amended to read:

34.21 Subd. 10a. **Reporting and analysis of cost data.** (a) The commissioner must ensure
 34.22 that wage values and component values in subdivisions 5 to 9 9a reflect the cost to provide
 34.23 the service. As determined by the commissioner, in consultation with stakeholders identified
 34.24 in subdivision 17, a provider enrolled to provide services with rates determined under this
 34.25 section must submit requested cost data to the commissioner to support research on the cost
 34.26 of providing services that have rates determined by the disability waiver rates system.

34.27 Requested cost data may include, but is not limited to:

34.28 (1) worker wage costs;

34.29 (2) benefits paid;

34.30 (3) supervisor wage costs;

34.31 (4) executive wage costs;

34.32 (5) vacation, sick, and training time paid;

35.1 (6) taxes, workers' compensation, and unemployment insurance costs paid;

35.2 (7) administrative costs paid;

35.3 (8) program costs paid;

35.4 (9) transportation costs paid;

35.5 (10) vacancy rates; and

35.6 (11) other data relating to costs required to provide services requested by the
35.7 commissioner.

35.8 (b) At least once in any five-year period, a provider must submit cost data for a fiscal
35.9 year that ended not more than 18 months prior to the submission date. The commissioner
35.10 shall provide each provider a 90-day notice prior to its submission due date. If a provider
35.11 fails to submit required reporting data, the commissioner shall provide notice to providers
35.12 that have not provided required data 30 days after the required submission date, and a second
35.13 notice for providers who have not provided required data 60 days after the required
35.14 submission date. The commissioner shall temporarily suspend payments to the provider if
35.15 cost data is not received 90 days after the required submission date. Withheld payments
35.16 shall be made once data is received by the commissioner.

35.17 (c) The commissioner shall conduct a random validation of data submitted under
35.18 paragraph (a) to ensure data accuracy. ~~The commissioner shall analyze cost documentation
35.19 in paragraph (a) and provide recommendations for adjustments to cost components.~~

35.20 (d) The commissioner shall analyze cost ~~documentation in~~ data submitted under paragraph
35.21 (a) and, in consultation with stakeholders identified in subdivision 17, may submit
35.22 recommendations on component values and inflationary factor adjustments to the chairs
35.23 and ranking minority members of the legislative committees with jurisdiction over human
35.24 services once every four years beginning January 1, 2021. The commissioner shall make
35.25 recommendations in conjunction with reports submitted to the legislature according to
35.26 subdivision 10, paragraph (c).

35.27 (e) The commissioner shall release cost data in an aggregate form, and cost data from
35.28 individual providers shall not be released except as provided for in current law.

35.29 ~~(e)~~ (f) The commissioner, in consultation with stakeholders identified in subdivision 17,
35.30 shall develop and implement a process for providing training and technical assistance
35.31 necessary to support provider submission of cost documentation required under paragraph
35.32 (a).

36.1 ~~(f) By December 31, 2020, providers paid with rates calculated under subdivision 5,~~
 36.2 ~~paragraph (b), shall identify additional revenues from the competitive workforce factor and~~
 36.3 ~~prepare a written distribution plan for the revenues. A provider shall make the provider's~~
 36.4 ~~distribution plan available and accessible to all direct care staff for a minimum of one~~
 36.5 ~~calendar year. Upon request, a provider shall submit the written distribution plan to the~~
 36.6 ~~commissioner.~~

36.7 Subd. 10b. Provider submission of labor market data. ~~(g)~~ (a) Providers enrolled to
 36.8 provide services with rates determined under section 256B.4914, subdivision 3, shall submit
 36.9 labor market data to the commissioner annually on or before November 1, including but
 36.10 not limited to:

- 36.11 (1) number of direct care staff;
- 36.12 (2) wages of direct care staff;
- 36.13 (3) overtime wages of direct care staff;
- 36.14 (4) hours worked by direct care staff;
- 36.15 (5) overtime hours worked by direct care staff;
- 36.16 (6) benefits provided to direct care staff;
- 36.17 (7) direct care staff job vacancies; and
- 36.18 (8) direct care staff retention rates.

36.19 ~~(h)~~ (b) The commissioner shall publish annual reports on provider and state-level labor
 36.20 market data, including but not limited to the data obtained under paragraph ~~(g)~~ (a).

36.21 ~~(i)~~ (c) The commissioner may temporarily suspend payments to the provider if data
 36.22 requested under paragraph ~~(g)~~ (a) is not received 90 days after the required submission date.
 36.23 Withheld payments shall be made once data is received by the commissioner.

36.24 ~~(j)~~ (d) Providers who receive payment under this section for less than 25 percent of their
 36.25 clients in the year prior to the report may attest to the commissioner in a manner determined
 36.26 by the commissioner that they are declining to provide the data required under paragraph
 36.27 ~~(g)~~ (a) and will not be subject to the payment suspension in paragraph ~~(i)~~ (c).

36.28 Sec. Minnesota Statutes 2020, section 256B.4914, is amended by adding a subdivision
 36.29 to read:

36.30 Subd. 10c. Reporting and analysis of competitive workforce factor. (a) Beginning
 36.31 February 1, 2021, and every two years thereafter, the commissioner shall report to the chairs

37.1 and ranking minority members of the legislative committees and divisions with jurisdiction
 37.2 over health and human services policy and finance an analysis of the competitive workforce
 37.3 factor.

37.4 (b) The report must include recommendations to update the competitive workforce factor
 37.5 using:

37.6 (1) the most recently available wage data by SOC code for the weighted average wage
 37.7 for direct care staff for residential services and direct care staff for day services;

37.8 (2) the most recently available wage data by SOC code of the weighted average wage
 37.9 of comparable occupations; and

37.10 (3) workforce data as required under subdivision 10b.

37.11 (c) The commissioner shall not recommend an increase or decrease of the competitive
 37.12 workforce factor from the current value by more than two percentage points. If, after a
 37.13 biennial analysis for the next report, the competitive workforce factor is less than or equal
 37.14 to zero, the commissioner shall recommend a competitive workforce factor of zero.

37.15 Sec. Minnesota Statutes 2020, section 256B.4914, subdivision 11, is amended to read:

37.16 **Subd. 11. Payment implementation.** Upon implementation of the payment
 37.17 ~~methodologies under this section, those payment rates supersede rates established in county~~
 37.18 ~~contracts for recipients receiving waiver services under section 256B.092 or 256B.49.~~

37.19 Sec. Minnesota Statutes 2020, section 256B.4914, subdivision 12, is amended to read:

37.20 **Subd. 12. Customization of rates for individuals.** (a) For persons determined to have
 37.21 higher needs based on being deaf or hard-of-hearing, the direct-care costs must be increased
 37.22 by an adjustment factor prior to calculating the rate under subdivisions 6, 7, 8, and 9 to 9a.
 37.23 The customization rate with respect to deaf or hard-of-hearing persons shall be \$2.50 per
 37.24 hour for waiver recipients who meet the respective criteria as determined by the
 37.25 commissioner.

37.26 (b) For the purposes of this section, "deaf and hard-of-hearing" means:

37.27 (1) the person has a developmental disability and an assessment score which indicates
 37.28 a hearing impairment that is severe or that the person has no useful hearing;

37.29 (2) the person has a developmental disability and an expressive communications score
 37.30 that indicates the person uses single signs or gestures, uses an augmentative communication

38.1 aid, or does not have functional communication, or the person's expressive communications
38.2 is unknown; and

38.3 (3) the person has a developmental disability and a communication score which indicates
38.4 the person comprehends signs, gestures, and modeling prompts or does not comprehend
38.5 verbal, visual, or gestural communication, or that the person's receptive communication
38.6 score is unknown; or

38.7 (4) the person receives long-term care services and has an assessment score that indicates
38.8 they hear only very loud sounds, have no useful hearing, or a determination cannot be made;
38.9 and the person receives long-term care services and has an assessment that indicates the
38.10 person communicates needs with sign language, symbol board, written messages, gestures,
38.11 or an interpreter; communicates with inappropriate content, makes garbled sounds or displays
38.12 echolalia, or does not communicate needs.

38.13 Sec. Minnesota Statutes 2020, section 256B.4914, subdivision 13, is amended to read:

38.14 Subd. 13. **Transportation.** The commissioner shall require that the purchase of
38.15 transportation services be cost-effective and be limited to market rates where the
38.16 transportation mode is generally available and accessible.

38.17 Sec. Minnesota Statutes 2020, section 256B.4914, subdivision 14, is amended to read:

38.18 Subd. 14. **Exceptions.** (a) In a format prescribed by the commissioner, lead agencies
38.19 must identify individuals with exceptional needs that cannot be met under the disability
38.20 waiver rate system. The commissioner shall use that information to evaluate and, if necessary,
38.21 approve an alternative payment rate for those individuals. Whether granted, denied, or
38.22 modified, the commissioner shall respond to all exception requests in writing. The
38.23 commissioner shall include in the written response the basis for the action and provide
38.24 notification of the right to appeal under paragraph (h).

38.25 (b) Lead agencies must act on an exception request within 30 days and notify the initiator
38.26 of the request of their recommendation in writing. A lead agency shall submit all exception
38.27 requests along with its recommendation to the commissioner.

38.28 (c) An application for a rate exception may be submitted for the following criteria:

38.29 (1) an individual has service needs that cannot be met through additional units of service;

38.30 (2) an individual's rate determined under subdivisions 6, 7, 8, and 9 to 9a is so insufficient
38.31 that it has resulted in an individual receiving a notice of discharge from the individual's
38.32 provider; or

39.1 (3) an individual's service needs, including behavioral changes, require a level of service
39.2 which necessitates a change in provider or which requires the current provider to propose
39.3 service changes beyond those currently authorized.

39.4 (d) Exception requests must include the following information:

39.5 (1) the service needs required by each individual that are not accounted for in subdivisions
39.6 ~~6, 7, 8, and 9~~ to 9a;

39.7 (2) the service rate requested and the difference from the rate determined in subdivisions
39.8 ~~6, 7, 8, and 9~~ to 9a;

39.9 (3) a basis for the underlying costs used for the rate exception and any accompanying
39.10 documentation; and

39.11 (4) any contingencies for approval.

39.12 (e) Approved rate exceptions shall be managed within lead agency allocations under
39.13 sections 256B.092 and 256B.49.

39.14 (f) Individual disability waiver recipients, an interested party, or the license holder that
39.15 would receive the rate exception increase may request that a lead agency submit an exception
39.16 request. A lead agency that denies such a request shall notify the individual waiver recipient,
39.17 interested party, or license holder of its decision and the reasons for denying the request in
39.18 writing no later than 30 days after the request has been made and shall submit its denial to
39.19 the commissioner in accordance with paragraph (b). The reasons for the denial must be
39.20 based on the failure to meet the criteria in paragraph (c).

39.21 (g) The commissioner shall determine whether to approve or deny an exception request
39.22 no more than 30 days after receiving the request. If the commissioner denies the request,
39.23 the commissioner shall notify the lead agency and the individual disability waiver recipient,
39.24 the interested party, and the license holder in writing of the reasons for the denial.

39.25 (h) The individual disability waiver recipient may appeal any denial of an exception
39.26 request by either the lead agency or the commissioner, pursuant to sections 256.045 and
39.27 256.0451. When the denial of an exception request results in the proposed demission of a
39.28 waiver recipient from a residential or day habilitation program, the commissioner shall issue
39.29 a temporary stay of demission, when requested by the disability waiver recipient, consistent
39.30 with the provisions of section 256.045, subdivisions 4a and 6, paragraph (c). The temporary
39.31 stay shall remain in effect until the lead agency can provide an informed choice of
39.32 appropriate, alternative services to the disability waiver.

40.1 (i) Providers may petition lead agencies to update values that were entered incorrectly
40.2 or erroneously into the rate management system, based on past service level discussions
40.3 and determination in subdivision 4, without applying for a rate exception.

40.4 (j) The starting date for the rate exception will be the later of the date of the recipient's
40.5 change in support or the date of the request to the lead agency for an exception.

40.6 (k) The commissioner shall track all exception requests received and their dispositions.
40.7 The commissioner shall issue quarterly public exceptions statistical reports, including the
40.8 number of exception requests received and the numbers granted, denied, withdrawn, and
40.9 pending. The report shall include the average amount of time required to process exceptions.

40.10 (l) Approved rate exceptions remain in effect in all cases until an individual's needs
40.11 change as defined in paragraph (c).

40.12 Sec. Minnesota Statutes 2020, section 256B.4914, subdivision 15, is amended to read:

40.13 Subd. 15. **County or tribal allocations.** (a) The commissioner shall establish a method
40.14 of tracking and reporting the fiscal impact of the disability waiver rates management system
40.15 on individual lead agencies.

40.16 (b) The commissioner shall make annual adjustments to lead agencies' home and
40.17 community-based waived service budget allocations to adjust for rate differences and the
40.18 resulting impact on county allocations upon implementation of the disability waiver rates
40.19 system.

40.20 (c) Lead agencies exceeding their allocations shall be subject to the provisions under
40.21 sections 256B.0916, subdivision 11, and 256B.49, subdivision 26.

40.22 Sec. Minnesota Statutes 2020, section 256B.4914, subdivision 17, is amended to read:

40.23 Subd. 17. **Stakeholder consultation and county training.** (a) The commissioner shall
40.24 continue consultation at regular intervals with the existing stakeholder group established
40.25 as part of the rate-setting methodology process and others, to gather input, concerns, and
40.26 data, to assist in the implementation of the rate payment system, and to make pertinent
40.27 information available to the public through the department's website.

40.28 (b) The commissioner shall offer training at least annually for county personnel
40.29 responsible for administering the rate-setting framework in a manner consistent with this
40.30 section.

41.1 (c) The commissioner shall maintain an online instruction manual explaining the
41.2 rate-setting framework. The manual shall be consistent with this section, and shall be
41.3 accessible to all stakeholders including recipients, representatives of recipients, county or
41.4 tribal agencies, and license holders.

41.5 (d) The commissioner shall not defer to the county or tribal agency on matters of technical
41.6 application of the rate-setting framework, and a county or tribal agency shall not set rates
41.7 in a manner that conflicts with this section.

41.8 Sec. Minnesota Statutes 2020, section 256B.4914, is amended by adding a subdivision
41.9 to read:

41.10 **Subd. 18. Legislatively approved changes; public notice.** (a) The commissioner shall
41.11 provide a public notice via LISTSERV in October of each year containing information
41.12 detailing legislatively approved changes in:

41.13 (1) calculation values including derived wage rates and related employee and
41.14 administrative factors;

41.15 (2) service utilization;

41.16 (3) county and tribal allocation changes; and

41.17 (4) information on adjustments made to calculation values and the timing of those
41.18 adjustments.

41.19 (b) The information in this notice must be effective January 1 of the following year.