

Disproportionate Share Facility Program (256S.205)

Program History

In 2021, the Disproportionate Share Facility Program was created to allow for greater choice in housing for Minnesotans on the Elderly Waiver (EW). The program provides for a rate floor for facilities serving certain individuals who receive 24-hour Customized Living services under the Elderly Waiver, which is essentially an alternative to institutional care in a nursing home.

Prior to creating the program, Elderly Waiver rates were insufficient to cover the costs associated with living in an assisted living facility, in spite of the fact that the alternative was for the state to send these same individuals to a nursing facility, at an increased cost of more than \$100 per day, borne by the state. Because of the low EW rates, most assisted living communities limited the number of low-income residents that they would accept.

With passage of the Disproportionate Share Facility rate floor, assisted living facilities with modern, secure and comfortable private apartments and market rate amenities are able to house and provide services to a population that includes 80-95% Medicaid-enrolled individuals.

Key Facts

To be eligible for the EW rate floor, facilities must prove annually that:



AT LEAST
83.5% of residents must receive
customized living services



AT LEAST
70% of residents must be
Elderly Waiver participants

The program specifies that **if the Elderly Waiver program is implemented at 100%, the disproportionate rate floor program will end.**

Current Status: Outdated Wage Data = Inaccurate Implementation Data

Last session, the legislature increased funding for the Elderly Waiver, which then increased the 2024 rate floor to \$190 per day in accordance with statute. **The Minnesota Department of Health Services is claiming that the EW is now implemented at 100%, but this is based on wage rates from 2017.** Due to outdated wage data, some are working to end the Disproportionate Share Facility Program at the end of the year claiming that EW is 100% implemented.



2017 WAGES



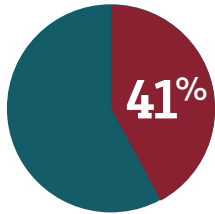
2024 WAGES



With the significant wage inflation that has occurred over the last few years, **using rates based on 2017 wages to cover Elderly Waiver participants will continue to prove insufficient to cover associated service costs.**

DHS Analysis vs. Real World Data

DHS conducted an analysis of providers who are eligible for the 2024 rate floor, and EW participants who are served in those settings. There are 27 settings eligible for the rate floor in 2024, serving approximately **900 EW recipients**.



A subset of this group which we represent serves **372 (41%)** of those EW recipients in four settings. The information below compares the real world data from these four settings to DHS analysis data used to make decisions about the Disproportionate Share Facility Program.

89% of current 900 EW customized living rate participants have a rate that is greater than **\$145/day**.

DHS ANALYSIS =89%

18% of current 372 EW customized living rate participants have a rate that is greater than **\$145/day**.

REAL WORLD DATA=18%

The DHS Analysis vs. Real World Data **differs by 71 percentage points**.

85% of current 900 EW customized living rate participants have a rate that is greater than **\$171/day**.

DHS ANALYSIS=85%

9% of current 372 EW customized living rate participants have a rate that is greater than **\$171/day**.

REAL WORLD DATA=9%

The DHS Analysis vs. Real World Data **differs by 76 percentage points**.

Based on the DHS analysis, they claim 89% of EW recipients who are eligible for the rate floor are getting a rate in 2024 that is higher than what they would have otherwise received under the rate floor program, solely due to 100% implementation of the EW rates on 1/1/24.

**However, the data used by the DHS in the above analysis
DOES NOT reflect actual data from the settings.**

Help low-income Minnesotans have a choice and stay in assisting living communities,
rather than being forced into nursing homes.

**Please MAINTAIN the Disproportionate Share Facility Program
until Elderly Waiver rates reflect current costs.**