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DEPARTMENT OF HUMAN SERVICES

Legislative Report

Status of Long-Term Services and Supports

August 2021

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Contents

Executive Summary iii

Legislation i

Minnesota Statutes 2020, section 144A.351 BALANCING LONG-TERM CARE SERVICES AND SUPPORTS: REPORT AND STUDY REQUIRED. i

Minnesota Statutes 2020, section 245A.03, subd. 7 (e) i

I. Introduction i

Purpose of report ii

COVID-19 Pandemic ii

II. System Change ii

Waiver Reimagine 1

Age-Friendly Minnesota 1

Equity 2

III. Trends and Challenges 5

Program and population growth 5

Workforce challenges: Access, equity, quality and sustainability 8

Housing challenges 10

IV. Policy directions 12

Data-driven decision-making 12

Supporting choice and control 13

Rights and protections 16

V. Innovation and quality improvement 18

Innovations or New Approaches 18

Evaluation and Learning 20

Rates and payment reform 20
VI. Report recommendations 23
Redesign Vulnerable Adult Act 23
Improve value-based purchasing of nursing facility services 24
Increase people's choice and control while streamlining service administration 24
Fully implement 2017 Elderly Waiver rate reforms 24
Support efforts to end HIV in Minnesota 25
Appendix A: Corporate foster care annual needs determination report 26
Introduction 26
Definitions and background 26
Information and data on corporate foster care capacity 27
Key activities during state fiscal year 2021 31
Services to help people access and maintain housing 33
Services to support people living in their own home 33
Conclusions 36

Executive Summary

Long-term services and supports (LTSS) are a spectrum of health and social services that support Minnesotans who need help with daily living. LTSS enable people to lead meaningful lives at all stages, according to their own goals, with opportunities to make meaningful contributions and build upon what is important to them. People can access LTSS in institutional settings, such as hospitals and nursing facilities, or in their homes and other community settings. This report summarizes the status of Department of Human Services (DHS) efforts to manage the LTSS system, in particular, how we are adapting to current conditions and emerging trends and pressures. This report describes the current status of the LTSS system today and provides context for future directions of LTSS in Minnesota

For decades, Minnesota has been working to rebalance the LTSS system from primarily institution-based services to primarily home and community-based services (HCBS). Today, a majority of all people receiving LTSS get them through HCBS, as opposed to the small proportion accessing services through nursing facilities. However, nursing facilities remain an important part of our system and we have included information about them in this report.

Although most HCBS programs referred to through this document are longstanding, the demand for services continues and the system successfully responds to those increased demands. This report provides insight as to how DHS programming is evolving to meet new pressures and changing needs within the system such as:

- Workforce pressures
- Program and population growth
- Housing challenges

This report highlights work accomplished by DHS divisions including Aging and Adult Services (AASD), Behavioral Health (BHD), Disability Services (DSD), Housing and Support Services (HSSD) and Nursing Facility Rates and Policy (NFRP) during the time of COVID-19. The ramifications of the COVID-19 pandemic on LTSS programming were immediate and far-reaching. The pandemic directly affected a majority of people served through LTSS programming, including vulnerable adults within the aging community, the disability community, communities of color and other historically marginalized populations using services. The temporary shutdown of programs and facilities, enhanced safety protocols and changing guidance forced DHS, lead agencies and providers to pivot service delivery.

The pandemic delayed much of the usual work and data collection that DHS would have completed. As DHS uses data to measure the effectiveness of the service system and inform decision-making this report focuses on the information currently available; additional data will be forthcoming in subsequent reports from the divisions.

Legislation

Minnesota Statutes 2020, section 144A.351 BALANCING LONG-TERM CARE SERVICES AND SUPPORTS: REPORT AND STUDY REQUIRED.

Subdivision 1. Report requirements.

The commissioners of health and human services, with the cooperation of counties and in consultation with stakeholders, including persons who need or are using long-term care services and supports, lead agencies, regional entities, senior, disability, and mental health organization representatives, service providers, and community members shall prepare a report to the legislature by August 15, 2013, and biennially thereafter, regarding the status of the full range of long-term care services and supports for the elderly and children and adults with disabilities and mental illnesses in Minnesota. Any amounts appropriated for this report are available in either year of the biennium. The report shall address:

(1) demographics and need for long-term care services and supports in Minnesota;

(2) summary of county and regional reports on long-term care gaps, surpluses, imbalances, and corrective action plans;

(3) status of long-term care services and related mental health services, housing options, and supports by county and region including:

(i) changes in availability of the range of long-term care services and housing options;

(ii) access problems, including access to the least restrictive and most integrated services and settings, regarding long-term care services; and

(iii) comparative measures of long-term care services availability, including serving people in their home areas near family, and changes over time; and

(4) recommendations regarding goals for the future of long-term care services and supports, policy and fiscal changes, and resource development and transition needs.

Minnesota Statutes 2020, section 245A.03, subd. 7 (e)

(e) A resource need determination process, managed at the state level, using the available reports required by section 144A.351, and other data and information shall be used to determine where the reduced capacity determined under section 256B.493 will be implemented. The commissioner shall consult with the stakeholders described in section 144A.351, and employ a variety of methods to improve the state's capacity to meet the informed decisions of those people who want to move out of corporate foster care or community residential settings, long-term service needs within budgetary limits, including seeking proposals from service providers or lead agencies to change service type, capacity, or location to improve services, increase the independence of residents, and better meet needs identified by the long-term services and supports reports and statewide data and information.

I. Introduction

Long-term services and supports (LTSS) are a spectrum of health and social services that support Minnesotans who need help with daily living. LTSS enable people to lead meaningful lives at all stages, according to their own goals, with opportunities to make meaningful contributions and build upon what is important to them. While people can access LTSS in institutional settings, such as hospitals and nursing facilities, or in their homes and other community settings, a majority of Minnesotans receiving LTSS receive their services in their homes and through the community, rather than in institutions.

The shift towards home and community based services (HCBS) mirrors changing personal preferences. In general, people report they have a higher quality of life when living in the community. HCBS, on average, are less costly than institutional care. Continued demand for HCBS along with emerging trends and pressures, challenge the sustainability of the LTSS system and its ability to offer new service options.

The Department of Human Services (DHS) is working to evolve the LTSS system to adapt accordingly, maintaining Minnesota's commitment to the quality of people's lives and system sustainability. As solutions addressing both quality and sustainability take longer than one biennial budget cycle, this report provides an overview of DHS's long-term strategies for achieving these goals and concludes with recommendations for action.

Purpose of report

DHS is submitting this report to the legislature as required by Minnesota Statutes 2016, section144A.351. The report provides a high-level overview of the work currently underway by the five divisions of DHS with primary responsibility for administration of the LTSS system: Aging and Adult Services (AASD), Behavioral Health (BHD), Disability Services (DSD), Housing and Support Services (HSSD) and Nursing Facility Rates and Policy (NFRP). Within each division, we highlight specific programs with links directly to relevant reports, studies and background information. This report summarizes how multiple DHS programs effectively work together to manage the LTSS system, plan for and adapt to current conditions and emerging trends and pressures.

COVID-19 Pandemic

The ramifications of the COVID-19 Pandemic on LTSS programming were immediate and far-reaching. The pandemic directly affected a majority of people served through LTSS programming, including vulnerable adults within the aging community, the disability community, communities of color and other historically marginalized populations using services. The temporary shutdown of programs and facilities, enhanced safety protocols and changing guidance forced DHS, lead agencies and providers to pivot service delivery.

The pandemic delayed much of the usual work and data collection that DHS would have completed. As DHS uses data to measure the effectiveness of the service system and inform decision-making this report focuses on the information currently available; additional data will be forthcoming in subsequent reports from the divisions.

II. System Change

Minnesota is engaged in a purposeful process of reimagining and rebalancing the LTSS system, moving from limited choice institution based services to creating more options, supporting informed choice and giving people more control over their services. Since 1995, a majority of Minnesotans have received LTSS services in their homes and communities, rather than institutions. As institutions closed and more funding was dedicated to supporting HCBS, DHS increased its focus on developing a quality driven, sustainable system with increased emphasis on meaningful community participation and improving the quality of life for people who use services.

Over time, DHS set in motion a variety of reforms, initiatives, programs and partnerships to guide development of an effective, person-centered and sustainable system of supports. Many of these programmatic developments grew out of the values and goals identified through Reform 2020, the bipartisan legislation enacted by the 2011 Minnesota Legislature, and advanced further with two of significant legislative initiatives: Waiver Reimagine and Age Friendly Minnesota. Additionally, we continue efforts to improve access and ensure that equity, inclusion and diversity remain key components of LTSS programs.

Waiver Reimagine

The 2019 Minnesota Legislature authorized DHS to make system level improvements to Minnesota's disability waiver programs through a phased approach. DHS developed Waiver Reimagine, to simplify waiver services, reshape the waiver program structure and transition to an individual budgeting model for people who access disability waivers.

Beginning November 2020, the Disability Services Division (DSD) launched the first stage of the online service-planning tool as part of the Disability Hub 3.0 updates. Changes include more information about waiver services and supports and the waiver reimagine project. In 2021, DHS plans to enhance the online service-planning tool by adding service and support planning resources and developing of a future version that can provide live, updated information about a person. Beginning January 2021, a simplified menu of waiver services also became available, in order to make the support system easier to understand. Through this process, DHS combined 12 previous services into six new waiver options. People are able to receive these new services on a rolling basis, either as part of their annual reassessment or during a service change.

The 2021 Minnesota Legislature approved the next phase of Waiver Reimagine to implement individual budgets and reshape the four disability waiver programs into two. We will use feedback and ideas from partners gathered through multiple engagement sessions held during 2020, as well as through a Waiver Reimagine Advisory Committee established by the legislature, to inform this upcoming work. For more information, see the legislative report, *Waiver Reimagine – Phase 1 Service Streamline and Phase 2 Recommendations for Reshaping Waivers and Individualized Budgets* .

Age-Friendly Minnesota

In December 2019, Governor Tim Walz signed Executive Order 19-38 challenging Minnesota to become a more age-friendly state, one focused on considering the social, economic, environmental and lifestyle factors that influence health and aging for every Minnesotan. The executive order established the Governor's Council on Age-Friendly Minnesota, which is responsible for developing action plans and ensuring collaboration and coordination between state agencies

around these efforts. During the 2021 special session, the legislature authorized funding for grants to support this work and extended the council until 2024.

Equity

The principles of equity, access, inclusion and diversity are key components to all aspects of DHS programming. COVID-19 underscored Minnesota's socioeconomic disparities based on race, culture, geography and other factors. While DHS programs and partners were able to effectively pivot services and offer a variety of options allowing services to continue during the pandemic, the emergency highlighted the need to ensure LTSS programs are equitably accessible, inclusive and responsive to the diversity of Minnesota's population.

Strategic plans

The Department of Human Services is committed to advancing equity and becoming an anti-racist organization. Striving for equity appears in strategic plans at all levels of DHS. The DHS strategic plan has 'culture of equity' as one of three strategic areas of focus, along with 'our stand' and 'operational excellence'. The agency has two equity goals:

- Institutionalize equity practices across the agency
- Provide employees with the tools and skills to establish equity in the workplace.

Current agency equity projects

Tribal Long-Term Services and Supports Workgroup

In 2020, DHS began development of the Tribal LTSS Workgroup with the purpose of supporting tribal nations within Minnesota to increase access to services and participation in LTSS programs among American Indian vulnerable adults and elders. In its first year, the group established the following goals:

- Promoting government-to-government relations
- Enhancing tribal infrastructure and increasing understanding of available resources
- Designing effective and culturally appropriate programming
- Providing technical assistance
- Addressing disparities
- Fostering collaboration, mentorship, and sharing of ideas among tribes.

Multicultural outreach

Equity and access for diverse communities are priorities of our work. Over the last few years, we have educated, promoted services and strived to select providers and grantees who reflect the diversity of people using LTSS programming. We are committed to systems change and program development to meet the needs identified as priorities by members of historically underserved and socially and economically vulnerable communities. These efforts include:

- Hiring dedicated multicultural grants outreach and evaluation coordinators
- Developing integrated and culturally competent equity review tools
- Identifying and dismantling the structural and societal barriers faced by LTSS users through no wrong door policies

- Increasing funding for education about and publicity of LTSS programming through culturally and linguistically specific methods.

Early intensive developmental and behavioral intervention (EIDBI) benefit

The EIDBI benefit is available through the Minnesota Health Care Programs and provides medically necessary early intensive intervention for children younger than 21 years old with autism spectrum disorder and related conditions. As of December 2020, 51 percent of people receiving EIDBI services who chose to disclose their race, identified as people of color and 49 percent identified as White.

In March 2015, the acting DHS Commissioner declared a provider shortage for all levels of EIDBI providers, which allowed DHS to propose variances in staff requirements to increase provider capacity. With input from the EIDBI advisory group and other stakeholders, DHS has approved variances to the provider qualifications to increase the number of providers, thus increasing access to services for more children. DHS has also collaborated with a variety of partners to implement statewide strategies increasing awareness about the program and address the workforce shortage. Today, with a combination of legislative changes, provider qualification variances and targeted outreach and support, more than 1,500 children are receiving services. Outreach efforts, including community meetings, trainings and provider news messages to bring awareness and education of EIDBI services, have increased the number of EIDBI providers in the state from 10 agencies just three years ago to more than 130 agencies today.

The provider shortage particularly affects rural areas. In an effort to make services more equitable, EIDBI offers services via telemedicine to help reach children and families who face geographic barriers when accessing services in their communities. EIDBI also allows border state providers to enroll which extends access for children in parts of greater of Minnesota. To increase access for people for whom English is not the preferred language, EIDBI has specific criteria in legislation that makes it easier for people who speak a language other than English to enroll as a provider.

MnCHOICES: Increasing cultural responsiveness of the assessment

MnCHOICES is the comprehensive assessment used to determine eligibility for HCBS for Minnesotans of all ages, regardless of income and disability. The MnCHOICES team is improving accessibility and cultural responsiveness of the assessment process to serve people across Minnesota's racial and ethnic groups better. The project will result in:

- People receiving information about what the MnCHOICES assessment is and what they should expect in a language they understand
- Assessments conducted by assessors who have had training in cultural responsiveness and how to use interpreter resources
- Assessments that are culturally comfortable and conducted in the person's own language.

Community First Services and Supports: Increasing equity in provider recruitment and development

The personal care assistance (PCA) program is one of the most diverse LTSS programs in Minnesota and has become more diverse over time. The average monthly caseload in FY2019 was about 35,000 people. People in the PCA program speak a variety of languages, but the majority speaks English (64 percent), Hmong (eight percent) or Somali (10 percent) as their primary language. Additionally, 2.4 percent speak Karen, two percent speak Russian, and nearly two percent speak Vietnamese. Approximately one percent of people speak Spanish as their primary language.

Minnesota is in the process of transitioning PCA to a new program, Community First Services and Supports (CFSS). People using PCA/CFSS do not have a case manager to support them as they develop a service plan. CFSS will give people a choice of using either an agency model or budget model for their services. To help people make this important decision, CFSS will provide a consultation service to educate the person on CFSS, support them in choosing a model, write their plan and approve it. The consultation service providers will need cultural and linguistic skills to communicate with the people they serve. It is vital that consultation services have the cultural and linguistic background to do so, both from an equity perspective and to comply with state statute.

As DHS designs and launches the new consultation service, we will:

- Recruit members of the target communities to respond when DHS seeks new consultation services providers
- Provide training tailored to the learning needs of members of the target communities seeking to become consultation services providers
- Support members of the target communities in becoming consultation services providers through advising on the resources needed to start a business in Minnesota
- Develop a plan for sustaining the efforts of this work after the initial period of design and launch.

PIPP equity special consideration

The 2006 Minnesota Legislature established the Performance-based Incentive Payment Program (PIPP). PIPP strives to improve nursing facility quality and to increase the quality improvement capacity of nursing facility providers. PIPP has $18 million annually, available in increased payments to nursing facilities that develop and successfully implement quality improvement projects after a competitive selection process. In the next round, DHS will prioritize projects addressing cultural awareness, reducing racial disparities and improving resident quality of life and proposals submitted by facilities serving residents who are Black, Indigenous or people of color (BIPOC). Minnesota nursing facility residents who are BIPOC report lower quality of life than their white counterparts do, even after adjusting for demographics and other important characteristics. Through this and other strategies, DHS is working to improve the quality of LTSS for all people who need them.

Using data to guide equity work

DHS seeks to understand access issues that prevent people from getting the services they need. We do this through data analysis and feedback from our partners and the community. Currently, we are working on an assessment disparity project. Our data shows two disparities:

- Level of care determinations
- Authorizations to receive home care services and waiver services.

The project looks at the assessment process to understand what leads to these different service outcomes. We will then be able to make informed decisions about what steps we can take to address these disparities.

III. Trends and Challenges

The advent of the Medicaid HCBS waiver option in 1981 enabled Minnesota to build a robust non-institutional service system. Most of our programs have been in place for decades and the services successfully meet people's needs every day. The demand for these services continues and the service system responds to those demands. At the same time, there are emerging trends and challenges to which the system must adapt.

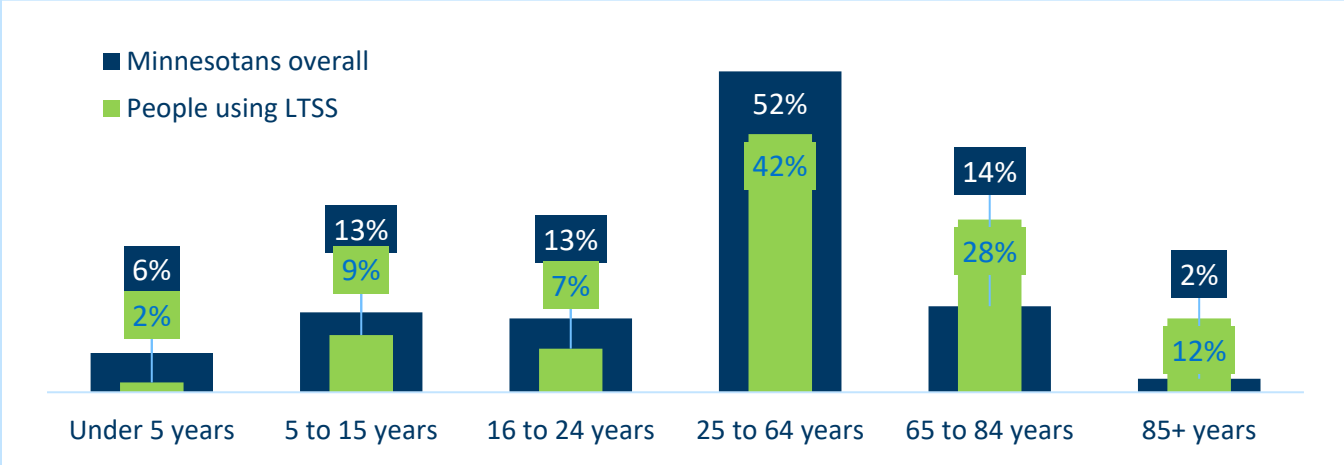
Program and population growth

Minnesotans are living longer than ever before. Not only is the overall number of older adults increasing, but those born with or who acquired disabilities and/or chronic conditions are also living longer.

The proportion of Minnesotans who are 65 years or older is also growing. By 2030, approximately one in five Minnesotans will be age 65 or older. The Minnesota State Demographic Center projects the 65 plus segment of the population will grow from 14.8 percent in 2015 to 21.2 percent by 2030. About 40 percent of people who use LTSS are 65 years or older. At this time, it is unclear if the COVID-19 pandemic will affect these projections.

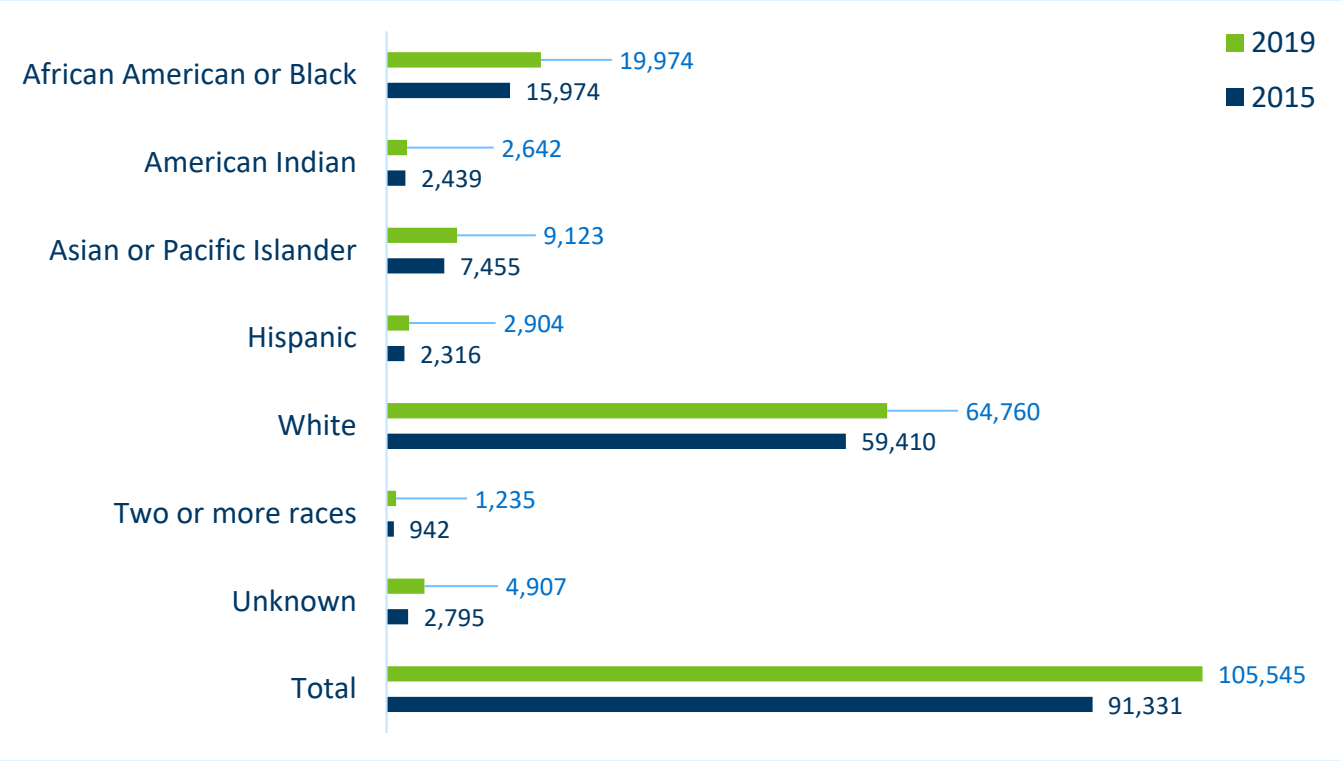
HCBS programs are growing faster than the state's population. Between 2015 and 2019, the state's total population grew by 3 percent, while the population of persons using HCBS grew by 16 percent. Minnesotans 65 years old and older contributed to the outpaced growth within the services.

Figure 1 People using LTSS by age compared to Minnesotans overall, 2019



The people using HCBS are becoming more diverse. Between 2015 and 2019, the number of people receiving HCBS services grew by over 14,000 people, or 16 percent. Not only are these programs growing, but they are also growing more diverse. During the same period, the number of people of color served grew by nearly, 7,000 people, or 23 percent. As of January 2019, over one third of people using HCBS services identified as a race or ethnicity other than White.

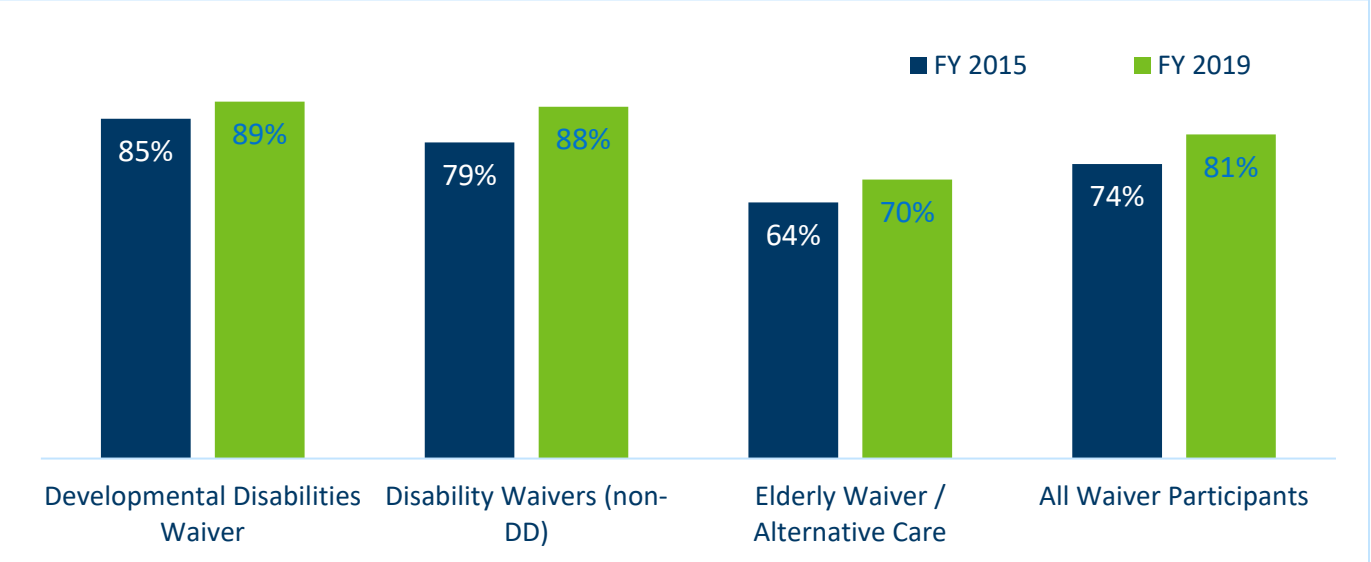
Figure 2 Change in HCBS use over time by race and ethnicity, 2015 to 2019



HCBS serve people with higher needs. The proportion of people using HCBS waiver services who have high needs grew from 74 percent in FY15 to 81 percent in FY19. The growing proportion of people with higher needs indicates that the HCBS system has a robust array of services that are able to serve those needs.[1]

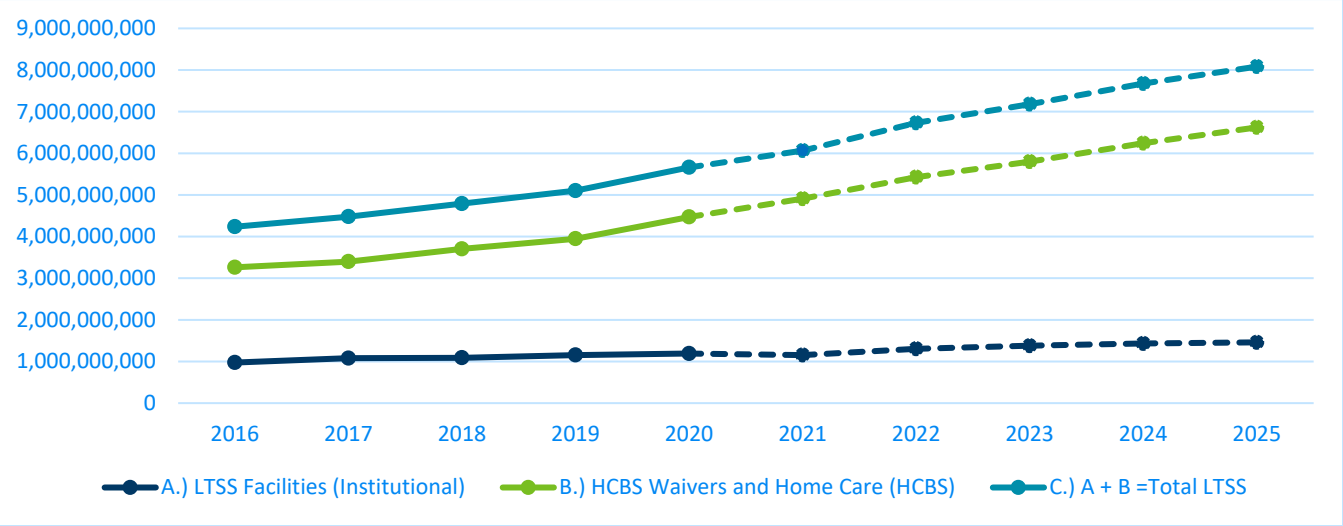
[1] Higher needs defined as profile numbers 1 – 3 for people on DD waivers and case mix B-K for all other people

Figure 3 Percent of people on an HCBS waiver with higher needs, 2015 to 2019



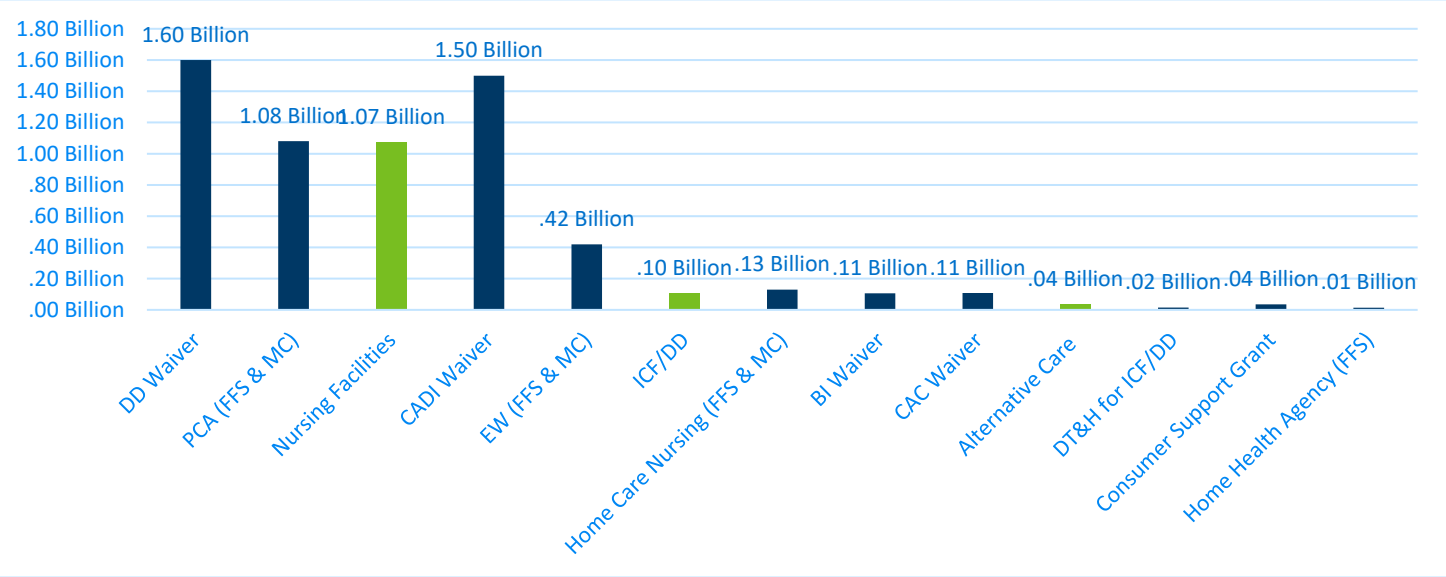
In FY20, DHS spent $5.2 billion on LTSS. The majority of the spending was on services provided in the community. Over 90,000 people received HCBS waiver services. Over 44,000 used PCA services and approximately 1,400 people received home care nursing services. Over 1,600 people received family support grants and over 4,000 received consumer support grants. Semi-Independent Living Services served another 1,500 people.

Figure 4 Total spending for LTSS (in billions)[2], by state fiscal year



[2] Includes both state and federal funds.

Figure 5 FY 2020 total LTSS spending[3] (HCBS and Institutional), $5.2 Billion[4]



Workforce challenges: Access, equity, quality and sustainability

Having an adequate workforce to support the aging and disability services system continues to be a serious and growing challenge. As the demand increases for services to support older adults and people with disabilities, so too does the pressure to build and maintain a qualified workforce. Finding workers to provide these services was already a challenge for most providers before the onset of the COVID-19 pandemic in 2020. COVID-19 amplified the direct support workforce strain that has been steadily growing over the past decade. In addition to the existing challenges to maintain an adequate workforce, in 2020 and 2021 the infection rate, quarantine requirements and fear of infection have taken people out of the direct support workforce.

To better understand the workforce that supports people served by Minnesota's HCBS programs and begin to work on innovative solutions to the shortage, the legislature required DHS to collect market-level information about the direct support workforce. The HCBS Labor Market Survey marks a new phase of data collection for the direct support workforce in Minnesota. The first Labor Market Survey (PDF), conducted in 2019 using 2018 data, only included disability waiver service providers. Therefore, the survey provided a narrow view of the entire direct support workforce in Minnesota. Beginning in 2021, reporting will expand to include all HCBS providers,

[3] LTSS in the chart includes Developmental Disabilities waiver, personal care assistance paid through fee-for-service and managed care, nursing facilities, Community Access for Disability Inclusion (CADI), Elderly Waiver (EW) (fee-for-service and managed care), intermediate care facilities for persons with developmental disabilities (ICF/DD), home care nursing (fee-for-service), Brain Injury (BI) waiver, Community Alternative Care (CAC) waiver, day training & habilitation (DT&H) for ICF/DD residents, Alternative Care, Consumer Support Grants, and home health (fee-for-service and managed care). Includes both state and federal funds.

[4] Source: February 2021 Forecast (FFS: Fee for service; MC: Managed care)

which will provide a more complete understanding of the direct support workforce for all long-term supports and services.

Support planning

Natural supports come through unpaid relationships people naturally develop in daily environments such as home, school, work and the community. Innovative approaches leveraging natural supports and technology have the potential to lessen a person's dependence on paid staff, as well as to deploy available staff capacity where there is the greatest need. Natural supports and technology that address safety concerns and provide back-up support when things do not go as planned can reduce the need for constant direct support staff that some people would otherwise require to be in the community. The 2021 Minnesota Legislature authorized funding and policy reforms to further advance support planning and natural supports. These include:

- Telehealth policies that allow flexibility in program administration, such as the ability to conduct certain reassessments remotely
    - During the pandemic the Behavioral Health Division and Healthcare Administration, in partnership, conducted a statewide telemedicine review to evaluate the impact and utilization of telehealth as a format for healthcare services. For more information, see the Telemedicine Utilization Report.
- An online portal for people to access their own assessment, service plan and budget information to increase access to information needed to direct their own service plan
- Technology funding for people receiving HCBS services to enhance access to services and strengthen their ability to live indecently and stay connected to the community
- Grants to develop the HCBS workforce and combat challenges related to attracting and maintaining direct care workers
- Grants to those for whom supports and services not covered by medical assistance would allow them to live in the least restrictive setting and as independently as possible, build or maintain relationships with family and friends, and participate in community life
- Grants to respite providers to help maintain and increase service capacity, including funding for a study of the LTSS system to recommend future system reform solutions to enhance services for older adults and caregivers.

Rates

HCBS waivers provide cost-effective in-home support for individuals and their caregivers, as an alternative to more expensive institutional services. Investments in waivers and similar programs allow people to remain in their homes and communities and to maintain their highest possible quality of life. However, rates paid to some HCBS providers, specifically those providing Elderly Waiver (EW), Alternative Care (AC), and PCA services, have not kept up with the increasing cost of delivering services. The Evaluation of Rate Methodology for Services Provided under Elderly Waiver and Related Programs (DHS-7850) legislative report outlined this issue, in part. In the instances where that report identifies challenges with rates, the rates need to increase in order to ensure that HCBS services are available to public program participants into the future, and that people have access to high quality supports to help them live in the community.

Nursing facilities employ more BIPOC workers than almost all other Minnesota industries (see the latest results of Minnesota's Workforce Diversity Survey for more information). Under Minnesota's value-based reimbursement payment system, nursing facilities can pay market rate wages and benefits, and can provide adequate protective equipment, testing and vaccination resources. Minnesota also funds a nursing facility scholarship program, which reimburses tuition and other costs for current facility staff who are furthering their education in a health care field. While this puts these care settings in a good position to attract and keep workers, a workforce shortage that precedes the COVID-19 pandemic continues to be a major challenge for nursing facilities and has an impact on all sectors of Minnesota's economy.

Housing challenges

Many Minnesotans who access HCBS and try to change where they live have to navigate a complex housing system. There are LTSS programs that assist people with successfully making these transitions. Services help people attain affordable housing, pay for it, maintain it and make needed modifications.

Senior LinkAge Line in-depth assistance

The Senior LinkAge Line's (SLL) set of services includes in-depth assistance for private pay individuals who have nursing facility level of care needs, have been living in a nursing facility or the community, and want to return to or remain in their home. The SLL's community living specialists work with the person, their family and providers to establish a support plan and ensure the necessary services are in place. Specialists are able to continue working with them for as long as the person is interested in the support.

Moving Home Minnesota

Moving Home Minnesota, federally known as the Money Follows the Person Rebalancing Demonstration, started in 2013. Moving Home Minnesota is an enhanced benefit to support people who wish to move into their own home from institutions like nursing facilities or hospitals. The state has the task of rebalancing spending between institutional and community-based care to ensure cost-effective and sustainable services are available for Minnesotan's with disabilities and older adults so they can fully participate in their communities.

Extension of the Consolidation Appropriations Act of 2021 extends funding for this grant through 2023, allowing states up to four years to spend the final grant allocation. Moving Home Minnesota has helped over 830 people move out of institutions and into the community, and funded over $15 million in rebalancing and capacity-building demonstration projects.

Housing Stabilization Services

Housing Stabilization Services, a Medicaid state plan home and community-based service, launched July 2020 with the goal of increasing access for more people to get help with finding and keeping housing. Ultimately, this resulted in Housing Stabilization Services replacing Housing Access Coordination, as there was a duplication of services. Housing Stabilization Services is a first of its kind program in the nation, helping people utilizing HCBS plan for obtaining housing, find housing, and keep their housing to avoid future periods of homelessness or

institutionalization. As of July 2021, the transition to replace Housing Access Coordination with Housing Stabilization Services is complete.

Despite beginning operations during a pandemic, between July 20, 2020 and June 30, 2021, 6,877 people enrolled in Housing Stabilization Services with 292 Minnesota Health Care Programs-enrolled providers across the state. The rate of member enrollment is more than double what we anticipated for the first year of the service, underscoring a high need for the service. Housing Stabilization Services serves a diverse population, with 53 percent identified as BIPOC and 38 percent as White.

Figure 6 Housing Stabilization enrollment by race/ethnicity

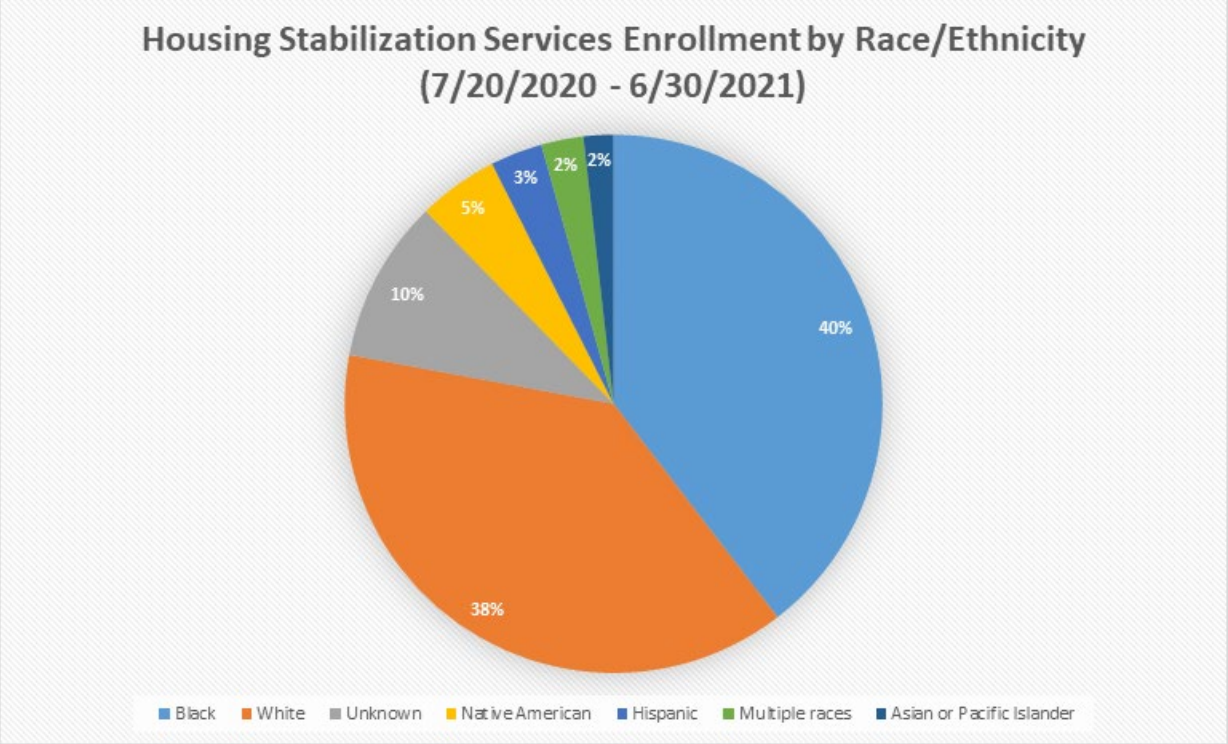


Table 1 Housing Stabilization enrollment by race/ethnicity

Race/ethnicity	People enrolled	Percent	Percent of Minnesota Population
Total	6,877	100%	
Black	2,721	40%	6%
White	2,637	38%	84%
Unknown	673	10%	
Native American	332	5%	1%
Hispanic	216	3%	5%
Multiple races	174	3%	5%
Asian or Pacific Islander	124	2%	5%

IV. Policy directions

DHS uses multiple strategic approaches to move the LTSS system towards four specific goals:

1. **Access -** People who need supports and services have access to them
2. **Equity -** They benefits of the system are shared equitably among the people who use it
3. **Quality -** High quality services and supports help people lead meaningful lives as they choose
4. **Sustainability -** The system is available for those who need it in the future.

These multiple strategic approaches include using data to drive decision-making, supporting personal choice and control, and assuring rights and protections.

Data-driven decision-making

Promoting access to and use of data is a cornerstone of DHS' agency-wide strategic plan. DHS supports data-driven decision-making by ensuring data is accessible to and usable by program staff and our partners.

Quality and sustainability in LTSS programs depend on partnerships between lead agencies, providers, people using services, and other stakeholders. In order to ensure that our partners have the information they need to make strategic decisions, DHS shares performance and demographic data on our website. Our goal is to provide transparent and interactive data to help people better understand the trends in their own communities.

The following data sets allow DHS to monitor key performance measures and trends to understand how well our system is able to serve people in the setting of their choice and ensure sustainability to meet growing demand. We also know that as the demographics of our state change over time, the programs and services will need to evolve continually to meet people's needs and preferences. These performance and demographic trends guide policy and program development.

Aging Data Profiles

The Aging Data Profiles include statewide, regional and county-level demographic and service data. Theprofiles provide information on the variation and differences about our aging society to inform those developing programs, services and supports that help older adults live, work and engage in their communities. All data is about Minnesotans age 65 and older.

Demographic dashboards

Demographic trends can tell counties and providers about how the population of their community is changing over time and facilitate their development of services to meet those needs. These dashboards provide county-level information about the demographics of HCBS programs over time.

Employment First dashboards

Employment outcome information is available by county, program area, age, and service providers. These dashboards are not only helpful for making strategic decisions and improvements, but they also empower people who receive services to understand typical employment outcomes, including averageearning among

programs and providers. Since FY16, we have seen an increase in the percent of people in the community age 18-64 who are earning $600 or more per month

HCBS lead agency reviews

DHS designs and sets the standards for the HCBS system. Lead agencies, including counties, tribal nations and managed care organizations under contract with DHS, administer the programs on a local level. Lead agency reviews of counties and tribes that manage and administer HCBS programs started in 2006 and DHS has completed three full rounds of reviews for each lead agency. It examines all five Medicaid waiver programs and the AC program in each lead agency.

National Core Indicators (NCI) and National Core Indicators-Aging and Disabilities (NCI-AD) initiatives

These initiatives measure and track how well HCBS support people with intellectual or developmental disabilities and their families (NCI), physical disabilities, and people who are older. The goal is to understand how people use services and supports to help live, learn, work and enjoy life in their community.

Nursing Facility Quality of Life Surveys

Each year, trained staff employed by an independent contractor of DHS interview people living in nursing facilities about their quality of life. DHS uses this feedback to help people choose the right facility for them, pay facilities for excellent service and quality improvement, and to better understand people's daily experience in nursing facilities.

Public performance dashboards
These interactive dashboards allow users to explore key performance trends by county, age groups, and race/ethnicity of people served by HCBS. This will give counties and other stakeholders performance measure information at their fingertips.

Vulnerable Adult Protection Dashboard

The Vulnerable Adult Protection Dashboard explains what happens after people report suspected maltreatment of a vulnerable adult to the Minnesota Adult Abuse Reporting Center (MAARC).

Supporting choice and control

People have the most expertise about their own needs. DHS promotes people having control over their choices by providing them with information and tools to understand their options and make informed decisions. In addition, we are adapting services to have more options for flexibility and directing the person's own services. This gives people more control over their services. Many of our home and community-based services have an element of self-direction. However, we specify some of our program and service options as "self-directed" because the primary function of these services is to allow a person to design and manage his/her own services (which includes hiring, firing and supervising their staff).

People have the ability to control their services

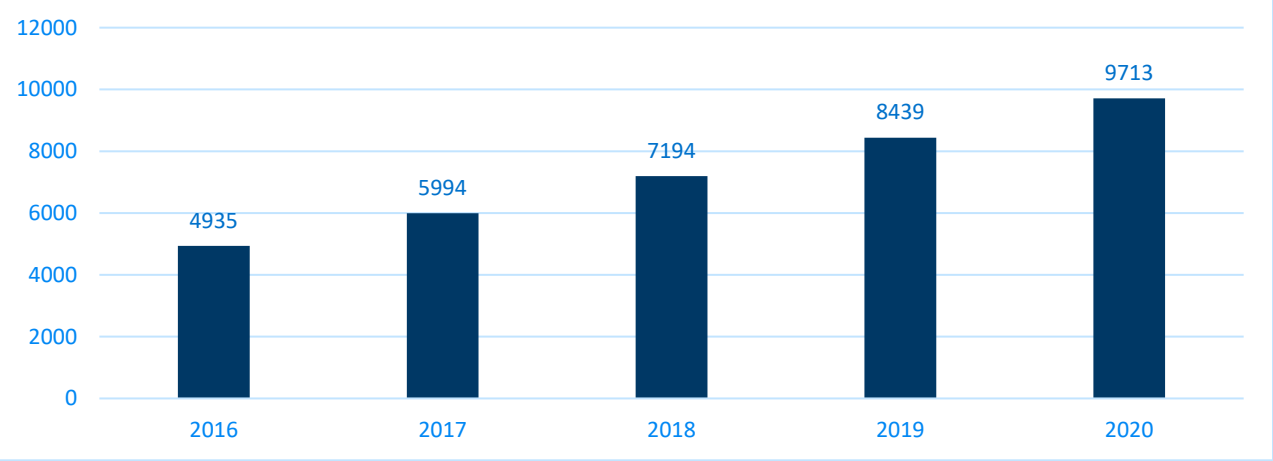
Consumer-Directed Community Supports

Consumer-Directed Community Supports (CDCS) is a service option available through the HCBS waivers. This option gives people greater control, flexibility and responsibility to manage and direct their services and supports. An increasing number of people choose CDCS so they can do things such as:

- Customize their services
- Hire and fire staff
- Purchase goods and services.

While CDCS remains a small part of the overall waiver programs, during this period, CDCS usage in the disability waivers grew. Over the past five years (FY 2015 – FY 2019), the number of people who use CDCS in the disability waivers essentially doubled. The average annual change in number of people enrolled in the program since FY16 is 18 percent.

Figure 7 Total number of people receiving Consumer-Directed Community Supports, FY2016 to FY2020



See the 2021 Biennial Report Services for People with Disabilities for more information and data about CDCS.

Community First Services and Supports

DHS is preparing to transition from the PCA program and Consumer Support grants to Community First Services and Supports (CFSS). PCA, Consumer Support grants and CFSS support people to help them remain independent in the community. While CFSS will be similar to PCA in many ways, such as eligibility guidelines and types of services currently available under PCA, it will also differ from PCA services by expanding people's choice and flexibility in obtaining services. Under CFSS, there will be more choice regarding how a person receives services, including who can provide services, additional support for writing plans, more self-direction options and the ability to purchase goods to aid a person's independence.

DHS will issue more information about the transition from Consumer Support grants to CFSS in the future. In the meantime, the CFSS webpage provides an overview and information about similarities and differences between the PCA programs and CFSS.

Information and tools for planning and decision-making

MnCHOICES assessment and support plan application

Lead agencies increasingly use MnCHOICES, an electronic web-based application, to conduct comprehensive assessment and support planning for people of all ages, abilities and income levels. The MnCHOICES process includes discovery of people's goals, interests and preferences, as well as health, welfare and safety concerns. In developing a support plan, it seeks to balance what is important to the person with what is important for the person.

MnCHOICES is currently undergoing a revision in order to increase stability and intuitive navigation of the application. DHS and Minnesota Information Technology Services (MNIT) selected a vendor for this work in September 2020 and anticipate launch of the full application by the end of 2021. Read more about the application, revision project, and benchmarks in the 2021 MnCHOICES Benchmarks annual legislative report.

Senior LinkAge Line® and MinnesotaHelp.info

The Senior LinkAge Line and its public resource site MinnesotaHelp.info are services of the Minnesota Board on Aging in partnership with Minnesota's Area Agencies on Aging. It provides free, objective information and assistance to help older Minnesotans and their families. The Senior LinkAge Line can help with Medicare, long-term care planning, care transitions, prescriptiondrug costs and help Minnesotans connect to local services. The Senior LinkAge line works in tandem with Disability Hub MN and LinkVet to help people navigate services, find answers and get the help they need. MinnesotaHelp.info provides access to the Nursing Home Report Card and in the future will provide access to assisted living facility licensure information and the Assisted Living Report Card.

Disability Hub MN

Disability Hub MN, a free statewide resource network, helps people solve problems, navigate the system and plan. The Hub focuses on people's needs and goals—helping them understand their options, find solutions, set goals, and build paths toward creating the lives they want. The Hub also supports a suite of onlinetools including:

- Direct Support Connect helps people who self-direct their own care and direct support workers, such as PCAs, find each other
- Disability Benefits 101 gives people information and tools about health coverage, benefits and employment so they can learn how work and benefits go together
- Housing Benefits 101 offers information and tools to help people explore housing options, discover what makes sense for them and make a plan to get there.

At the end of 2020, the Hub launched its redesigned website. DHS designed the site specifically for people with disabilities, but also now includes a portal for families and an expanded portal for support professionals. The professional portal includes toolkits where professional can access resources, tools and trainings to build their capacity to use a person-centered approach and support people's choice and control. The family portal helps families envision their children's best lives, and then make plans to get there. The family portal provides information and tools to help families at any stage, whether facing an immediate need or looking years ahead.

Rights and protections

People receiving services have the right to live in dignity, free from harm, and to receive high-quality care. DHS has several initiatives underway to strengthen the quality assurances throughout the HCBS system. Efforts include adding licensing standard, redesigning the vulnerable adult system and adopting aculture of accountability, learning and continuous improvement in response to critical incidents.

Assisted living facility licensure and additional dementia care requirements

As of June 1, 2021, the Minnesota Department of Health began the new licensing process for Minnesota assisted living facilities. As of August 1, 2021, facilities that wish to continue operations will need to pursue licensure as either an assisted living facility or an assisted living facility with dementia care. Licensing of assisted living facilities provides regulatory standards governing the provision of housing and services to help ensure the health, safety, well-being and appropriate treatment of residents. Licensure also promotes person-centered planning and service delivery, enhanced protections and recognition of resident rights for those choosing to reside within the facilities. For more information on the new laws, see MN Stat Ch. 144G.

A significant number of people in assisted living facilities have some form of dementia. Under the new regulations, all assisted living facilities must meet standards for dementia care training. However, facilities with an assisted living with dementia care license must meet additional standards, including increased training requirements for staff and administrators, higher physical plant requirements for facilities with secured units, and proven capacity to provide dementia care services. Electronic monitoring protections also apply tothese settings for all agreements in effect, entered into, or renewed on or after January 1, 2020.

Adult protection

Minnesota's vulnerable adult protection reporting and response system provides a safety net for people who useservices, or who are vulnerable based on an impairment in their ability to meet their own necessary needs. The state strives to ensure safe environments and services for vulnerable adults. When there is suspected maltreatment of a person who is vulnerable, DHS encourages good faith reporting to the Minnesota Adult Abuse Reporting Center (MAARC) the centralized reporting system, operated by DHS. Minnesota's Vulnerable Adult Act (VAA) originally passed in 1980 and with the most recent update being in 2013. DHS has undergone research, a review of national models and best practices, engaged stakeholders, and is now working with lawmakers to pass legislation in order to update and redesign the Vulnerable Adult Act.

Long-Term Care Ombudsman

Title VII Chapter 2 of the Older Americans Act establishes the Office of Ombudsman for Long-Term Care (OOLTC). This office is a program of the Minnesota Board on Aging, enabling it to act independently and retain a separation from other DHS divisions that regulate, license or certify long-term care services. The office, led by a full-time State Long-Term Care Ombudsman and staffed by approximately 30 regional ombudsmen, is an independent voice representing the interests of those who use long-term care services.

Regional ombudsmen located throughout Minnesota meet with residents, investigate and resolve complaints, provide information and consultations, advocate for systemicchange, and inform public agencies about issues facing residents in long-term care settings. Each year, the OOLTC issues its annual report detailing work over the past federal fiscal year. During Federal Fiscal Year 2020, between October 1, 2019, and September 20, 2020, the office resolved over 4000 complaints and closed almost 1500 cases for residents in long-term care facilities. These complaints and cases fell within the areas of resident rights, standard of care, issues related to admission, and transfer or discharge from a facility, among others.

Culture of Safety model pilot

Collaborative Safety is an approach that intends to move a critical incident system away from a culture of blame and toward a culture of accountability. Years of research have shown that assigning blame in response to adverse events might actually decrease accountability because it inhibits the ability of an organization to learn and improve. The model draws from the same sciences that safety-critical industries, such as aviation and nuclear power, use to improve systems and develop a culture of safety. Advanced models engage employees in safety efforts, establish comprehensive approaches to analyzing adverse events and promptly act upon identified areas of improvement.

DHS's Child Safety and Permanency division uses this model, and starting in 2019 disability services began a pilot of the model to test its use for investigating critical incidents, such as medication errors and wheel chair safety incidents.

Strengthen licensing standards for operating a Minnesota nursing facility

DHS Nursing Facility Rates and Policy staff have been working in collaboration with Minnesota Department of Health, Health Regulation Division staff, on revisions to the current application form for a nursing home license and the statute governing the licensure of nursing homes. In recent years, Minnesota has seen an increase in change of ownership of nursing facilities. The trend has been a shift to for-profit and out-of-state owners with complex ownership structures and a decline in quality. The license application and the authorizing legislation need revisions to obtain better information about the license applicants, strengthen and clarify requirements and responsibilities of the licensee, and align with the disclosure of ownership requirements of the assisted living license.

Enhance fiscal integrity and accountability for nursing facility operators

Legislation passed in 2021 provides enhanced fiscal integrity and accountability for nursing facility operators. The legislation requires facilities to conduct an additional resident assessment following the end of therapy

treatment or once the need for isolation has ended to reclassify that resident into the appropriate Resource Utilization Group (RUG), effective August 1, 2021. This will ensure the facility only bills the resident for services provided and will save money for both the state and residents with private payment sources. The policy was a strategy put forward by the Blue Ribbon Commission on Health and Human Services.

DHS will use a portion of these savings to fund six additional positions with audit and forensic accounting skills, necessary equipment, subscription fees to published auditing resources, and travel costs for on-site audits. These additional staff will enhance audit capacity in the Nursing Facility Rates and Policy Division to address nursing facility billing practices and admission agreements, identify incorrectly billed Medical Assistance (MA) services, support increased transparency of related party transactions and ensures DHS' ability to establish proper and timely payment rates.

Savings will also fund a critical study to determine how to convert the assessment and case mix reimbursement system to align with a new Centers for Medicare and Medicaid Services (CMS) system, which CMS will be implementing in the near future. The savings will also provide additional funding for an existing consumer satisfaction survey, which has been a valuable and well-utilized tool for people researching nursing facility services, as well as providing valuable feedback to providers about their services.

V. Innovation and quality improvement

While existing services are successful, we need to be innovative to keep up with emerging trends and challenges. Additionally, data reflects that traditional practices have not served all people with equal success. When we do better,people will do better. We need to learn what is working and what is not, and develop new approaches accordingly.

New approaches, coupled with evaluation and payment report reform, may uncover new promising practices and lead to quality improvements.

Innovations and new approaches

Home and Community-Based Services (HCBS) Rule transition plan

In 2014, the federal Centers for Medicare & Medicaid Services (CMS) published regulations that included a change in the definition of HCBS settings for the Medicaid HCBS waivers. CMS granted states until March 2022 to bring their systems into compliance with the new requirements. CMS later extended the deadline for compliance to March 2023. On February 12, 2019, CMS gave its final approval to Minnesota's Home and Community-Based Services Rule Statewide Transition Plan (PDF) to bring settings into compliance with the federal HCBS regulations. The HCBS settings transition plan web site provides full information about Minnesota's efforts. Minnesota intends to stay on track with the timelines and milestones in the approved statewide transition plan. However, if CMS does not have the capacity to align our statewide transition plan timelines with the heightened scrutiny review process it could affect these plans.

Safeguards against fraud, waste and abuse

In 2019, the Minnesota Legislature passed a robust program integrity package, which included significant changesto combat fraud, waste, and abuse:

- Established documentation and billing requirements for HCBS
- Strengthened standards for sanctioning and/or removing providers
- Published Minnesota exclusion list that, as a condition of payment, vendors must checkmonthly
- Immunity and anonymity granted for people who report fraud or abuse.

One key initiative to combat fraud, waste, and abuse is the implementation of electronic visit verification (EVV). DHS plans to implement EVV for PCA services by December 1, 2021 and for home health services by January 1, 2023.

Live Well at Home Grants

Live Well at Home grants aim to strengthen a community's ability to provide affordable LTSS for older persons. They are available to public and private for-profit and non-profit agencies. The funds are for projects that expand, integrate and sustain the services and infrastructure that enable older adults to remain in their own homes and communities. Grantees may use the funds to support family, friends and neighbors in caregiving. Grants can alsosupport integration of medical services and LTSS in local communities. The list of most recently selected Live Well at Home grantees provide a glimpse into the scope of work supported through these grants.

Behavioral health grants

Behavioral health services cover both mental health services and substance use disorder services; many of which people access in community settings. Providers can bill some behavioral health services to Medicaid, while grant programs pay for others. These grant programs include both state and federal awards, and they support not only direct services but also workforce efforts, prevention and education, and system change efforts. Over the past two years, the behavioral health system in Minnesota has continued to grow to respond to the needs of people using services, while also being responsive to the COVID-19 pandemic. Examples of that work are included in several reports:

- Mental Health Grants Fiscal Years 2019-2020 Legislative Report
- Problem Gambling: A Report on the State's Progress in Addressing the Problem of Compulsive Gambling on the Percentage of Gambling Revenues that Come From Problem Gamblers
- Opioid Epidemic Response Advisory Council: Grant Award Update & Evidence-Based Analysis of Opioid Legislative Appropriations

Disability services innovation grants

Disability services innovation grants promote new ideas to achieve positive outcomes for people with disabilities. All of them require grantees to use new ways to help people with disabilities in Minnesota:

- Achieve integrated, competitive employment
- Live in the most integrated setting
- Connect with others in their communities.

For a list of the most recent grant recipients, see Round V on the innovations grants webpage.

Customized Living quality improvement grants

The 2019 Minnesota Legislature established a Customized Living Quality Improvement grant program (CL QI) for providers of publicly funded Customized Living services. The 2021 Minnesota Legislature further modified the program. The CL QI grant program supports provider-initiated projects to improve quality of services for people receiving Customized Living services. The grant program focuses on the following policy objectives:

- Providing more efficient, higher quality services
- Encouraging HCBS providers to innovate
- Equipping HCBS providers with organizational tools and expertise to improve their quality
- Incentivizing HCBS providers to invest in better services
- Disseminating successful performance improvement strategies statewide.

For a list of the most recent grant recipients, see the Customized Living Quality Improvement grant program site.

Evaluation and learning

Nursing Home Report Card

DHS and the Minnesota Department of Health (MDH) launched the Nursing Home Report Card in 2006, after calls from the legislature for greater transparency about nursing home quality. Since then, Minnesota has expanded the report card to cover short-term stays. It includes resident ratings of their experiences, and data on how well nursing facilities provide short-term care, discharge people back to the community and avoid sending people back to the hospital. The site strives to share only information that is important to people who use services and their families, and that is trustworthy, actionable and grounded in research.

Assisted Living Report Card

The Aging and Adult Services Division and the Minnesota Board on Aging (MBA) are developing the Assisted Living Report Card to measure and report on the quality of individual assisted living settings across Minnesota, for housing and services paid for privately and through public programs. In state fiscal year 2022, project work will include:

- Statewide implementation of a resident quality of life survey and a family satisfaction survey to collect data on facilities with the capacity to serve 8 or more residents
- A pilot test of data collection methods for facilities with the capacity to serve seven or fewer residents
- Continued work with an advisory group to develop measures of quality based on the resident and family surveys and other data sources
- Continued work to develop a report card website to share assisted living quality information with the public.

Once DHS and MBA fully implement the report card, we will share quality ratings for individual assisted living facilities on a public website. We will update the report card over time, as new data on quality are available.

Rates and payment reform

Across LTSS, payment reforms are helping the state address service access and program sustainability by setting rates that reflect provider's reasonable costs. At the same time, DHS is developing and implementing pay for performance strategies to incent and pay for higher quality services across the state.

Disability rates reform

The Disability Services Division is collecting data to understand better the cost of providing services and aligning the payment structure accordingly. In 2017, the Legislature authorized DHS to conduct annual cost reporting by providers of DWRS services.

Under Minnesota Statutes 2017, section 256B.4914, subdivision 10a, beginning in 2020, DHS required all agencies that provide at least one service with a payment rate determined under the DWRS to submit documentation of the costs of providing DWRS services. However, to ease the burden on provider organizations as they respond to COVID-19, DHS delayed the scheduled launch of the DWRS cost reporting system until March 2021.

In the 2021 special session, the Minnesota Legislature authorized a 9.7 percent rate increase, effective January 1, 2022, for services with rates determined by DWRS. This includes residential, day and unit-based services access through the disability waivers. The legislature also passed rate increases for intermediate care facilities for persons with developmental disabilities (ICF/DD) services.

Aging and adult services rates reform

To help ensure that providers are available to serve the needs of older Minnesotans, the 2017 Minnesota Legislature passed significant rate-setting reforms for a wide array of HCBS delivered through EW, AC, and Essential Community Supports (ECS). Based on these reforms, new higher rates took effect on January 1, 2019. The new rates were comprised of 10 percent of the new rate methods authorized in statute, and 90 percent of the rates in effect as of June 30, 2017.

The Aging and Adult Services Division conducted a study of the new rate-setting methods in 2018. In a 2019 Legislative Report, DHS recommended changes to the methods so they better reflected providers' reasonable costs to deliver HCBS. DHS also recommended that the legislature fully fund and fully implement the rate methods authorized in statute, which means the rates paid would be 100 percent of the new rate methods.

The 2021 Minnesota Legislature invested in these reforms by passing an EW rate increase, achieved by further phasing-in the rate methods passed in 2017. As of January 1, 2022, the rates paid under EW, AC, and ECS will be comprised of 18.8 percent of the new rate methods authorized in statute, and 81.2 percent of the rates that were in effective as of June 30, 2017. The legislature also established rate increases for home care providers and a Customized Living rate floor of $119 per day for assisted living facilities with a census of 80 percent or more EW participants.

Personal care assistance rate reform

The 2021 Minnesota Legislature passed a data-informed rate framework for PCA/CFSS, Enhanced PCA/CFSS, and Qualified Professional services that DHS uses as the basis for calculating the state-set rates. Component factors included in the framework tie the rate to the anticipated cost of providing services by cost type, such as PCA wages, benefits, administrative costs, and other provider costs. The framework also includes a competitive workforce factor that adjusts the framework wage component to close the gap to wages for comparable jobs outside of the personal care field.

While this framework does not automatically increase rates or wages for PCA workers, it provides a structure for future, meaningful investment in the workforce, based on state and national data. The provision also introduces a handful of new provider reporting requirements that will increase visibility of both service cost and the cost of wages and benefits for workers.

Nursing facility rates reform

Develop an effective value-based reimbursement quality incentive

Value-based reimbursement (VBR) was a large investment by the 2015 Legislature designed to rebase nursing facilities rates to cover their actual costs. The VBR system appears to achieve one of its main goals – increased reimbursement and resulting facility expenditures for direct care and other care-related services. Expenditures for salaries and benefits of direct care staff, such as health insurance, rose substantially after the introduction of VBR. VBR did not include limits on future spending growth. Under the current rate calculation methodology, most nursing facilities are significantly under their care-related spending limits. With the gap between actual costs and the facility specific rate limit, there is no financial incentive for the facility to improve its quality performance, as they get reimbursed for all of their direct care costs, regardless of the quality of their services.

The Nursing Facility Rates and Policy division will engage stakeholders on:

- Utilizing incentive and evaluation strategies that differentiate facilities in terms of role (e.g., short-stay versus long stay, larger facilities versus. small facilities)
- Modifications to Minnesota based quality measures that allow for simplification and increased focus on topics that can influence care quality
- Exploring in greater depth the relationship between proportions of minority residents within a facility and care-related expenditures and care quality.

See the Nursing Facility Payment Reform Recommendations - 2021 for more details.

Moratorium exception funding/update nursing facility buildings for improved quality of life and infection control

The recent 2021 legislative investment in moratorium funding included in the base budget ($4 million per biennium) aligns with the state policy to allow nursing facilities to plan for substantial building upgrades for purposes of building accessibility for American's with Disabilities Act (ADA) compliance. Many of Minnesota's nursing homes were built prior to the ADA and are in need of a myriad of physical plant updates. The COVID-19

pandemic, which resulted in an unprecedented increase in the number of residents requiring isolation, highlighted the need for private rooms and bathrooms to provide appropriate infection control measures.

Other examples of these types of improvements include wider doorways, toilets, showers, larger dining rooms and for accommodation of mobility devices such as wheelchairs and scooters, ability to install celling lifts for bariatric patients. Most residents of Minnesota's nursing facilities identify as White; just over five percent of nursing facility residents identify as non-White. IN addition to better overall infection control, the ability to increase private rooms may expand access to a more diverse resident population by increasing facilities' ability to meet accommodation and service needs.

VI. Report recommendations

Under the Policy directions and the Innovation and quality improvement sections of this report, we describe the work that DHS is doing to improve the LTSS system. In particular, we identify key efforts to adapt to the changing environment while improving the quality of people's lives and ensuring the sustainability of the LTSS system.

Largely, the recommendations we made in the 2019 report continue to be our recommendations at this time. We submitted the 2019 report to the legislature just months prior to the outbreak of COVID-19 in Minnesota. While we moved forward with our plans during the COVID-19 pandemic, DHS divisions involved in this report responded to, and preemptively addressed, the needs of those we serve. We continue to have work to do on the recommendations set out in the 2019 report, hence their inclusion in this report.

Full Funding of PCA Rate Framework

The 2021 Legislature approved adoption of a rate framework for personal care assistance that results in a substantial rate increase for the service. While a substantial increase, the legislature did not fully fund the PCA framework. As a result, rates for the service have not achieved parity with other home and community based services. We recommend full funding of the PCA rate framework. Doing so will lead to improved wages for direct support workers and help mitigate the workforce shortage.

Redesign Vulnerable Adult Act

DHS has initiated a multi-year project for review of the Vulnerable Adult Act (VAA). The Act redesign researches best practices and engages a variety of people and groups to participate in stakeholder-driven redesign and policy development. The redesign will address challenges in the statute to better support goals of prevention, align with person-centered practices and improve the balance between investigative and service response to self and caregiver neglect.

The VAA redesign will also improve transparency in adult protection maltreatment reports and investigations of maltreatment. As lead investigative agencies, counties have the authority to use their own prioritization guidelines to determine how they will handle allegations of maltreatment. However, the county is not required to post or disclose the criteria to the public under the Vulnerable Adult Act.

Improve value-based purchasing of nursing facility services

Value-based reimbursement (VBR) payment has increased the average cost of a nursing facility stay by 58 percent, from $65,678 per year in 2014 to $103,594 year in 2021. DHS projects annual Medicaid payments to nursing facilities to grow by 74 percent over ten years, from $808 million in fiscal year 2016 to $1.4 billion in 2025, while the number of people served is projected to decrease by six percent. An independent evaluation of VBR found no evidence to date that the payment formula has improved statewide nursing facility quality. We will continue to evaluate the impact of VBR, seeking recommendations to make it more sustainable and to ensure its intended focus on improving the quality of nursing home services.

Increase people's choice and control while streamlining service administration

Reducing differences in the type and amount of services available and creating models for individualized budgeting:

- Creates a more equitable and predictable experience for people
- Encourages person-centered supports
- Puts more control in the hands of people who use services
- Allows people to see the range of funding available to them
- Engages people in informed decision-making about how to invest those funds to meet their specific circumstances.

The 2021 Minnesota Legislature approved the next phase of Waiver Reimagine to implement individual budgets and reshape the four disability waiver programs into two. For more information, see the Waiver Reimagine – Phase 1 Service Streamline and Phase 2 Recommendations for Reshaping Waivers and Individualized Budgets legislative report.

Fully implement 2017 Elderly Waiver rate reforms

As was described early in the report, the 2017 Minnesota Legislature enacted new rate-setting methods for a wide array of services provided under EW, AC, and ECS, and for Customized Living services provided through the Brain Injury (BI) and Community Alternatives for Disability Inclusion (CADI) waivers. As directed by statute, DHS partially implemented the reforms on January 1, 2019. The new rates were comprised of 10 percent of the new rate methods authorized in statute, and 90 percent of the rates in effect as of June 30, 2017.

The 2021 Minnesota Legislature made an additional investment in these reforms by passing an EW rate increase, the legislature achieved by further phasing-in the rate methods passed in 2017. As of January 1, 2022, the rates paid under EW, AC and ECS will be comprised of 18.8 percent of the new rate methods authorized in statute and 81.2 percent of the rates in effect as of June 30, 2017.

Fully funding and fully implementing the methods would mean the rates paid would be 100 percent of the new rate methods authorized in statute. A 2018 evaluation of the new rate-setting methods found that the reforms need only minor adjustments, and that full implementation of the methods would yield appropriate rates that align with providers' reasonable costs to deliver services. The study found that existing rates for many services

were not adequate to cover providers' costs. The evaluation findings and DHS' recommendations are available in the 2019 Evaluation or Rate Methodology for Services Provided under Elderly Waiver and Related Programs report to the legislature.

Support efforts to end HIV in Minnesota

Work on END HIV MN has continued to move forward. The HIV Supports Section at DHS has worked closely with partners at MDH to continue implementation and adjust tactics as the HIV system responded and adjusted to the COVID-19 epidemic. In the last biennium, DHS and our partners completed statewide stakeholder engagement to inform implementation efforts. In 2020, DHS, in partnership with Hennepin County, completed a comprehensive needs assessment for people with HIV, engaging over 800 people. These collective efforts led to targeting new investments to support basic needs of people with HIV, including housing, food access and emergency financial assistance. In spite of progress with some communities, MDH has identified two HIV outbreaks in the state. These outbreaks are affecting specific communities in Hennepin and Ramsey counties and the Duluth area, resulting in higher than typical new HIV diagnoses. The HIV Supports Section at DHS has worked closely with community partners, MDH and Hennepin County, to adjust services and implement new services in order to best respond to these emerging situations, meet the needs of those impacted and reduce further HIV infections.

Appendix A: Corporate foster care annual needs determination report

Introduction

Minn. Stat. §245A.03, subd. 7h requires the Minnesota Department of Human Services (DHS) commissioner to annually report to state legislature committees that have jurisdiction over the health and human services budget. The report must include information on the:

- State's licensed corporate foster care capacity
- DHS actions taken to manage the licensing moratorium
- Recommendations for changes.

DHS has incorporated the 2021 Corporate Foster Care Needs Determination report into the LTSS report as an appendix.

This report begins with defining corporate foster care and providing background information on the licensing moratorium. We discuss data regarding statewide and regional corporate foster care capacity, as well as DHS's key activities during the past year related to managing the moratorium. Conclusions and recommendations for future action close the appendix.

Definitions and background

For this report, we will use the term "corporate foster care" to refer to both of the following settings:

1. **Corporate foster care**, which is a waiver service where the license holder does not live in the home (Minn. Stat. §245D.02, subd. 4d) and is either:
    - A child foster residence setting licensed according to Minn. R. 2960.3000 to Minn. R. 2960.3340
    - An adult foster care home licensed according to Minn. R. 9555.5105 to Minn. R. 9555.6265.
2. **Community residential settings**, which statute defines as a residential program (Minn. Stat. §245A.11, subd. 8) where:
    - Residential supports and services are provided (Minn. Stat. §245D.03, subd. 1c, 3i-ii)
    - The license holder is the owner, lessor or tenant of the facility
    - The license holder does not reside in the facility (Minn. Stat. §245D.02 subd. 4a).

Note: Both of these settings typically use a shift-staff model of support. Additionally, beginning on January 1, 2021, DHS renamed the disability waiver service corporate foster care as community residential services. This report will use the previous name for this waiver service.

The legislature established the moratorium in 2009 (Minnesota Laws 2009, chapter 79, article 8, section 8). In 2012, the legislature reduced the state's allowable corporate foster care capacity to 13,700. State law allows additional capacity under the moratorium for provided exceptions. Statewide corporate foster care capacity has never exceeded the amount allowed under the moratorium. The moratorium remains in effect today.

DHS may approve exceptions to the moratorium that do not count toward the statewide corporate foster care capacity. License exceptions can apply to:

- People who require a hospital level of care
- Settings that require Chapter 144D housing with services registration
- People who need new corporate foster care development because of the closure of a nursing facility, intermediate care facility for persons with developmental disabilities (ICF/DD), regional treatment center or because of a restructuring of state-operated facilities
- People who no longer require the level of care provided by state-operated facilities (e.g., Minnesota State Security Hospital, Anoka Regional Treatment Center, etc.)
- People who receive Chapter 245D services and live in an unlicensed setting that requires a license (Note: This exception ended June 30, 2018).

Information and data on corporate foster care capacity

This section discusses the current corporate foster care capacity, including the number of beds by region and the number of exceptions in this state fiscal year and the last state fiscal year.

Current statewide capacity

The maximum allowable beds under the moratorium remains at 13,700. DHS-approved exceptions do not count against this maximum.

The statewide capacity as of June 30, 2021, is 14,350 licensed corporate foster care beds. This figure includes capacity developed for 965 exceptions approved since the moratorium started. Subtracting the exceptions leaves a moratorium capacity count figure of 13,385, which is 315 beds below the 13,700 maximum allowed under the moratorium.

The statewide capacity as of June 30, 2021, of 14,350 is a 49-bed increase over the number of beds from FY 2020 (0.3 percent). The FY 2021 moratorium capacity count, which excludes exceptions, was lower than the SFY 2020 moratorium capacity count by -0.4 percent.

The 49-bed increase from FY 2020 to FY 2021 is larger than the previous increase of 25-beds from FY 2019 to SFY 2020. This increase in statewide licensed capacity is due to more moratorium exceptions being submitted and approved in in FY 2021. In FY 2020, there were 32 moratorium exceptions approved, while in FY 2021, there were 97 approved. In FY 2021, there were significantly more exceptions submitted and approved for people who needed new corporate foster care development due to the closure of their intermediate care facilities for people with disabilities (ICF/DD) facility, which was also the most common exception approval type in FY 2021. In FY 2020, there were 26 exceptions approvals due to ICF/DD closure, compared to 84 approvals in this category in FY 2021.

If ICF/DD continue to close at the current rate, we expect little change to the total number of exceptions requested in FY 2022. The expected minimal change in exception approvals also is due to no new moratorium exceptions being effective until FY 2023.[5]

For the number of exceptions approved by type in FY 2021, refer to Table 2. For the statewide licensed capacity summary for FY 2021, refer to Table 3.

Table 2: Number of licensing moratorium exceptions by type (SFY 2020-SFY 2021)

Exception description	SFY 2020 Exceptions approved	SFY 2021 Exceptions approved
People who require hospital level of care	0	3
People who needed new corporate foster care development because of the closure of an ICF/DD facility	26	84
People who no longer require the level of care provided by state-operated facilities (i.e., Minnesota State Security Hospital or Anoka Regional Treatment Center)[6]	4	10
People who receive Chapter 245D services and live in an unlicensed setting that requires a license (note: this exception ended June 30, 2018)[7]	2	0
Total approved exception	32	97

[5] During the 2021 special legislative session, a moratorium exception was added to Minn. Stat. §245A.03, subd. 7(a) for new foster care or community residential setting licenses for people receiving Customized Living or 24-hour Customized Living services under the Brain Injury (BI) or Community Access for Disability Inclusion (CADI) waivers and residing in a Customized Living setting before July 1, 2022, for which a license is required. This moratorium exception is not effective until July 1, 2022.

[6] Includes Jensen Settlement class members.

[7] Entities needed to contact DHS about the setting before June 30, 2018, to be eligible for the exception.

Table 3: Statewide licensed capacity summary (SFY 2020-SFY 2021)

Category	SFY2 2020 licensed bed count	SFY 2021 licensed bed count	Difference
Statewide licensed capacity	14,301	14,350	+0.3%
Approved exceptions this fiscal year	32	97	+203.1%
Cumulative approved exceptions	868	965	+11.2%
Moratorium capacity count[8]	13,433	13,385	-0.4%

Capacity by region

In addition to calculating statewide capacity changes from year to year, DHS calculates the corporate foster care bed-capacity changes by region (see Table 3). In FY21, five regions had a decrease in licensed corporate foster beds, six had an increase, and one remained the same. Both decreases and increases in beds were modest, ranging from -2.3 to 1.4 percent. Region 7E, the Central East Region, showed the largest percentage increase, with eight more beds in FY21 (1.4 percent).

[8] The moratorium capacity count is calculated by subtracting the cumulative approved exceptions from the number of licensed beds.

Table 4: Current number of DHS licensed beds by region (SFY 2020 - SFY 2021)

Region[9]	Region name	Largest county	SFY 2020 licensed bed[10] count	SFY 2021 licensed bed count[11]	Difference
1	Northwest Corner	Polk	231	234	1.3%
2	North Central	Beltrami	266	260	-2.3%
3	Northeast Corner	St. Louis	1,555	1,547	-0.5%
4	North West	Clay	920	905	-1.6%
5	Central	Crow Wing	610	605	-0.8%
6	West	Kandiyohi	816	816	0.0%
7E	Central East	Chisago	556	564	1.4%
7W	Central West	Stearns	914	925	1.2%
8	Southwest Corner	Lyon	468	465	-0.6%
9	South Central	Blue Earth	957	962	0.5%
10	Southeast Corner	Olmsted	1,645	1,650	0.5%

[9] These regions are the regional resource specialist areas. See referenced Regional Resource Specialist (RRS) Geographic Area Map, DHS-4850B (PDF) for the regional boundaries.

[10] Licensed bed count was calculated on last day of SFY20.

[11] Licensed bed count was calculated on last day of SFY21.

Region[9]	Region name	Largest county	SFY 2020 licensed bed[10] count	SFY 2021 licensed bed count[11]	Difference
11	Metro	Hennepin	5,366	5,417	1.0%

Key activities during state fiscal year 2021

During the past year, DHS worked to improve the residential support system by managing the moratorium, administering grants and supporting services that provide person-centered, integrated living options for people.

Managing the moratorium

DHS approves exception requests specified in statute and approves requests for use of available bed capacity that are critical to meet people's health and safety needs. In FY 2021, DHS approved new corporate foster care development for 65 people who did not meet statutory moratorium exception criteria. These approvals were for people with complex needs (i.e., urgent health and safety needs), who were unable to remain in their current setting and could not be served within the current corporate foster care capacity of the county/region.

An example of "an urgent health and safety need" is when a provider gives a notice of service termination to a person from a residential setting and that person does not have other housing with residential support options.

Grants

Local Planning Grants

The Local Planning Grant is a DHS-awarded grant for developing alternatives to corporate foster. In 2020, DHS selected Sherburne County to be a new grantee with their grant period running from April 15, 2020 to December 30, 2020. We extended their contract through June 30, 2021 and will extend it further through June 30, 2022.

During the grant period from April 15, 2020 to June 30, 2021, Sherburne focused on preparing and promoting life sharing as an option for people who currently are on a waiver and who seek an alternative to a corporate foster care setting for their residential support needs.

Due to the COVID-19 pandemic and associated restrictions, grant activity pivoted from face-to-face events and meetings to virtual gatherings. In addition, though several homeowners expressed interest in pursuing the life sharing model and opening their homes and lives to persons using waivered services, they wanted to wait to move forward until COVID-19 infection rates began to decline and community sites began to reopen. Though the grantee identified several individuals who are interested in moving into a life-sharing situation, activities are just beginning to resume at this time as the conditions of the COVID-19 pandemic are improving.

Technology for home grant program

The DHS-funded Technology for Home program offers at-home, in-person assistive technology (AT) consultation and technical assistance to help people with disabilities live more independently. Expert consultants work in teams to provide cost-effective solutions and to communicate with the lead agency to develop a plan for people who receive home care or home and community-based waiver services.

As part of its work, Technology for Home:

- Consults with eligible people in their own homes, workplaces or public locations
- Connects people to resources that will help them live in their own homes
- Conducts follow up to ensure effective training, set up and installation
- Serves on the person's team to develop a plan to meet AT goals.

Innovation grants

The DHS-managed Disability Services Innovation Grants program promotes innovative ideas to improve outcomes for people with disabilities in Minnesota. The grants support opportunities for people with disabilities in housing, jobs, services and community engagement. The grants support ideas to:

- Achieve integrated, competitive employment
- Live in housing of one's choice
- Build direct care and support workforce capacity
- Build and strengthen family-to-family connections.

In FY 2021, one grantee had the goal of helping people secure integrated housing. The grantee, whose contract ended in December 2020, helped six people secure and maintain integrated housing during FY 2021.

Local infrastructure grants

In 2017, the legislature directed DHS to create the Community Living Infrastructure Grant program. The grant, which targets counties, tribal nations and county collaboratives, aims to create housing stability for people with disabilities who want to live in the community. For state fiscal year 2021, DHS awarded $2.685 million to 18 grantees across the state.

Grantees can use funding in one or more of these areas:

1. Outreach and education about housing for individuals who are homeless or in institutions or other facility stays
2. Housing resource specialists to assist and educate individuals, family members, providers, advocates, and human service professionals about housing resources and opportunities in their region
3. Administration and monitoring of the Housing Support program by counties or tribes.

Housing Access Services grant program

The Housing Access Services grant program helps people with disabilities access housing in the community. This program aims to support an alternative to institutional and facility care. It has reduced demand for potential moves into corporate foster care and moved people out of homelessness. From July 2009 through March 2021, the program has helped 2,676 people.

Moving Home Minnesota program

Moving Home Minnesota, federally known as Money Follows the Person Rebalancing Demonstration, is a demonstration grant started in 2013. It is an enhanced benefit to support people who wish to move into their own home from institutions, such as nursing facilities or hospitals. The state must rebalance spending between institutional and community-based care to ensure cost-effective and sustainable services are available so that Minnesotan's with disabilities and older adults can fully participate in their communities.

The grant continues through 2023 due to the extension in the Consolidation Appropriations Act of 2021, allowing states up to four years to spend the final grant allocation. Since 2013, Moving Home Minnesota has helped over 830 people move out of institutions and into the community, and funded over $15 million in rebalancing and capacity building demonstrations.

Services to help people access and maintain housing

Housing access coordination services

During FY 2021, 1,929 people used housing access coordination services from 54 providers. The total amount spent for these service agreements was $2,969,595 (Note: This total may rise as DHS pays claims up to one year from the date of service delivery). The number of people using this service declined significantly by -40 percent from FY2020. We expected this decrease as this service was discontinued effective June 30, 2021.

Housing Stabilization Services, a new Minnesota Medical Assistance benefit, replaced Housing Access Coordination. Housing Stabilization Services help people with disabilities, including mental illness and substance use disorders, and older adults find and keep housing. Since the service is new, and people can still use Housing Access Coordination until its discontinuation, data about Housing Stabilization Services will be included in future corporate foster care needs determination reports.

Services to support people living in their own home

Individualized home supports

In the spring of 2017, DHS received CMS approval for a waiver amendment that authorized the individualized home supports service. The option was effective as of July 1, 2018. As of December 31, 2020, 1254 people had the individualized home support service authorized on the BI, Community Alternative Care (CAC) and CADI waivers. The experience and use of individualized home supports informed DHS how to add this service to the developmental disabilities (DD) waiver.

Effective January 1, 2021, DHS streamlined the individualized home supports service across all four disability waivers to streamline and simplify the waiver service menu. The simplified menu combines 12 previous services into six new options. The services streamlined into individualized home supports include adult companion, personal supports, independent living skills (ILS) training, supported living services for adults in their own home and in-home family supports.

A person may receive individualized home supports when they are eligible for the following disability waivers:

- BI
- CAC
- CADI
- DD.

The individualized home support service holistically supports a person in their own home, family's home and within their community by providing support (e.g., supervision, cuing, etc.) and/or training as a single, comprehensive service. There are three types of individualized home supports: Individualized home supports without training, Individualized home supports with training, and Individualized home supports with family training. With multiple service-delivery methods, both in-person or via remote support, this service increases a person's choices and options for how and where services are delivered to meet the person's service needs.

A person can receive support or training in four broad, community-living service areas of:

- Community participation
- Health, safety and wellness
- Household management
- Adaptive skills.

The service uses a person-centered approach to support what is important both to and for a person. For example, an individualized home support staff member can ride along with someone who receives services as they learn to navigate the local bus system. This helps the person get to their job, as well as to get to community activities. If the person misses the bus one day or gets lost, they also can use this service to call someone to help reduce anxiety and solve the problem.

In that way, this service recognizes that each person interacts with the world differently. For example, one person may have neighbors who are noisy at night. To deal with it, the person may prefer to receive coaching from their staff over the phone before approaching the neighbor with a complaint. Alternatively, the person might prefer a staff member to come along to talk to the landlord about the loud neighbors.

By combining training and support functions into a single, comprehensive service, the service:

- Is more responsive and individually tailored to a person's needs
- Has greater flexibility
- Increases service efficiency.

Assistive technology

Assistive technology is one option to support people in their own home. During the past year, DHS promoted assistive technology through several webinars and training opportunities, as well as the Minnesota Technology First Advisory Task Force, which met quarterly from October 2019 through April 2021.

Webinars

Since April 2020, DHS collaborated with Minnesota Network and Education for Assistive Technology (MN-NEAT) to provide six webinars related to support technology. Five of the six webinars took place during FY 2021.

- June 17, 2021: Accessible home modifications that remove barriers, preserve dignity and promote independence
- April 22, 2021: Environmental Controls - Assessed, Installed, Funded
- December 16, 2020: What we Learned: Tech COVID Response
- November 5, 2020: Something to Say: Process to Getting a Person their Voice
- August 12, 2020: Alternative Overnight Supervision - FAQ with DHS and MN-NEAT
- April 30, 2020: Assistive Technology & Remote Support Webinar

The webinars were well attended and DHS is in the process of planning a seventh webinar for August 26, 2021 on low to mid tech options for daily living.

Training series

In September 2020, DHS selected ARRM to receive an innovation grant to continue collaboration with DHS on supportive technology training. DHS executed the grant in January 2021 and ARRM hired a project manager to assist with expanding these trainings to all 87 counties. The project focuses on increasing the support technology knowledge of lead agency assessors and case managers, but will also measure and track data relating to:

- Increased use of support technology by Minnesotan's utilizing HCBS services
- Impact on work force issues
- Cost savings/ efficiencies realized by using technology

A total of 252 case managers and assessors representing 44 different counties attended the first four trainings. Attendance statistics for the two trainings held in July 2021 are not yet available.

Task force

The 2019 Minnesota Legislature directed the Technology First Advisory Task Force to recommend strategies to the Commissioner of Human Services that will increase the use of support technology by people with disabilities. The goal of the task force was to promote usage of support technology in a way that will enable people with disabilities to:

- Live independently in community settings
- Work in competitive integrated environments
- Participate in inclusive community activities
- Increase quality of life.

The task force held its first meeting in October 2019, and met quarterly through April 2021. One of the primary initiatives of this task force was to identify barriers to support technology and make recommendations for increased use of, and access to, support technology. Between February and April 2021, the task force decided upon the following twelve recommendations regarding support technology:

1. Ensure that Minnesota commits to becoming a Technology First state
2. Eliminate the $3,909 annual cap on the specialized equipment and supplies (SES) waiver service
3. Create separate billing codes for service providers to enable better tracking of expenditures related to support technology
4. Increase funding limits for fee-for-service (FFS) items under Medical Assistance
5. Amend waiver plans and the Community-Based Services Manual (CBSM) to include the federal definition of assistive technology (AT) when combining AT and SES
6. Amend waiver plans to allow waivers to cover internet costs when internet access is needed for support technology to function in the person's home (when certain criteria are met)
7. Allow assistive technology under the traditional waivers and bought directly by the person or provider in typical shopping venues, e.g., Amazon, Best Buy, etc.
8. Increase the number of assistive technology practitioners in the state, especially those who will service greater Minnesota
9. Establish a mechanism to recycle and redeploy support technology that is no longer needed
10. Mandate and provide training on support technology for service and support planners
11. Develop, provide and expand training for people with disabilities, their families and their caregivers on support technology and related resources
12. Expand the MnCHOICES assessment and support planning process to include more consideration around potential uses of support technology and the impact of any technology already in use.

Conclusions

DHS will continue to use available capacity (under the moratorium cap) to develop out-of-home respite options. In FY 2021, DHS approved new development of four beds for scheduled respite services for a county that demonstrated a gap and need for this type of service in their region. Assistance for caregivers is critical to maintain living arrangements in the family home or the person's own home. This assistance reduces reliance on corporate foster care as an ongoing living arrangement.

DHS will approve new respite capacity while maintaining the reserve needed to serve people who have critical health and safety needs, but who do not meet moratorium-exception criteria.

DHS recommends continuing the programs described in the *Grants* and *Services to help people access and maintain housing* sections of this report which aid in building alternative supports to corporate foster care. DHS

also recommends that the legislature update licensing moratorium statute to remove the exception in paragraph (5) for people receiving services under Chapter 245D and living in an unlicensed setting that requires a license (Minn. Stat. §245A.03, subd. 7(a)(5)). This moratorium exception expired on June 30, 2018. Having an obsolete moratorium exception listed in statute that cannot be used causes confusion for lead agencies who submit moratorium exception requests to DHS. The legislature should update the statute to align with the available licensing moratorium exceptions.