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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 524

02/13/2013 Authored by Fischer, Abeler, Huntley, Zerwas and Halverson
The bill was read for the first time and referred to the Committee on Health and Human Services Finance

1.1 A bill for an act
1.2 relating to human services; modifying reduction of rates for congregate living
1.3 for individuals with lower needs; amending Laws 2011, First Special Session
1.4 chapter 9, article 10, section 3, subdivision 3, as amended.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Laws 2011, First Special Session chapter 9, article 10, section 3, subdivision
1.7 3, as amended by Laws 2012, chapter 247, article 4, section 43, is amended to read:

1.8 Subd. 3. **Forecasted Programs**

1.9 The amounts that may be spent from this
1.10 appropriation for each purpose are as follows:

1.11 (a) **MFIP/DWP Grants**

1.12 Appropriations by Fund

1.13	General	84,680,000	91,978,000
1.14	Federal TANF	84,425,000	75,417,000

1.15 (b) **MFIP Child Care Assistance Grants** 55,456,000 30,923,000

1.16 (c) **General Assistance Grants** 49,192,000 46,938,000

1.17 **General Assistance Standard.** The
1.18 commissioner shall set the monthly standard
1.19 of assistance for general assistance units
1.20 consisting of an adult recipient who is
1.21 childless and unmarried or living apart
1.22 from parents or a legal guardian at \$203.

1.23 The commissioner may reduce this amount

2.1 according to Laws 1997, chapter 85, article
2.2 3, section 54.

2.3 **Emergency General Assistance.** The
2.4 amount appropriated for emergency general
2.5 assistance funds is limited to no more than
2.6 \$6,689,812 in fiscal year 2012 and \$6,729,812
2.7 in fiscal year 2013. Funds to counties shall
2.8 be allocated by the commissioner using the
2.9 allocation method specified in Minnesota
2.10 Statutes, section 256D.06.

2.11 **(d) Minnesota Supplemental Aid Grants** 38,095,000 39,120,000

2.12 **(e) Group Residential Housing Grants** 121,080,000 129,238,000

2.13 **(f) MinnesotaCare Grants** 295,046,000 317,272,000

2.14 This appropriation is from the health care
2.15 access fund.

2.16 **(g) Medical Assistance Grants** 4,501,582,000 4,437,282,000

2.17 **Managed Care Incentive Payments.** The
2.18 commissioner shall not make managed care
2.19 incentive payments for expanding preventive
2.20 services during fiscal years beginning July 1,
2.21 2011, and July 1, 2012.

2.22 **Reduction of Rates for Congregate**
2.23 **Living for Individuals with Lower Needs.**
2.24 Beginning October 1, 2011, lead agencies
2.25 must reduce rates in effect on January 1,
2.26 2011, by ten percent for individuals with
2.27 lower needs living in foster care settings
2.28 where the license holder does not share the
2.29 residence with recipients on the CADI and
2.30 DD waivers and customized living settings
2.31 for CADI. Lead agencies shall consult
2.32 with providers to review individual service
2.33 plans and identify changes or modifications
2.34 to reduce the utilization of services while

3.1 maintaining the health and safety of the
 3.2 individual receiving services. Lead agencies
 3.3 must adjust contracts within 60 days of the
 3.4 effective date. If federal waiver approval
 3.5 is obtained under the long-term care
 3.6 realignment waiver application submitted
 3.7 on February 13, 2012, and federal financial
 3.8 participation is authorized for the alternative
 3.9 care program, the commissioner shall adjust
 3.10 this payment rate reduction from ten to five
 3.11 percent for services rendered on or after
 3.12 July 1, 2012, or the first day of the month
 3.13 following federal approval, whichever is
 3.14 later. Effective August 1, 2013, this provision
 3.15 does not apply to individuals living in foster
 3.16 care settings where the license holder is
 3.17 certified under the requirements of Minnesota
 3.18 Statutes, section 245A.03, subdivision 6a.

3.19 **Reduction of Lead Agency Waiver**
 3.20 **Allocations to Implement Rate Reductions**
 3.21 **for Congregate Living for Individuals**
 3.22 **with Lower Needs.** Beginning October 1,
 3.23 2011, the commissioner shall reduce lead
 3.24 agency waiver allocations to implement the
 3.25 reduction of rates for individuals with lower
 3.26 needs living in foster care settings where the
 3.27 license holder does not share the residence
 3.28 with recipients on the CADI and DD waivers
 3.29 and customized living settings for CADI.

3.30 **Reduce customized living and 24-hour**
 3.31 **customized living component rates.**
 3.32 Effective July 1, 2011, the commissioner
 3.33 shall reduce elderly waiver customized living
 3.34 and 24-hour customized living component
 3.35 service spending by five percent through
 3.36 reductions in component rates and service

4.1 rate limits. The commissioner shall adjust
4.2 the elderly waiver capitation payment
4.3 rates for managed care organizations paid
4.4 under Minnesota Statutes, section 256B.69,
4.5 subdivisions 6a and 23, to reflect reductions
4.6 in component spending for customized living
4.7 services and 24-hour customized living
4.8 services under Minnesota Statutes, section
4.9 256B.0915, subdivisions 3e and 3h, for the
4.10 contract period beginning January 1, 2012.
4.11 To implement the reduction specified in
4.12 this provision, capitation rates paid by the
4.13 commissioner to managed care organizations
4.14 under Minnesota Statutes, section 256B.69,
4.15 shall reflect a ten percent reduction for the
4.16 specified services for the period January 1,
4.17 2012, to June 30, 2012, and a five percent
4.18 reduction for those services on or after July
4.19 1, 2012.

4.20 **Limit Growth in the Developmental**
4.21 **Disability Waiver.** The commissioner
4.22 shall limit growth in the developmental
4.23 disability waiver to six diversion allocations
4.24 per month beginning July 1, 2011, through
4.25 June 30, 2013, and 15 diversion allocations
4.26 per month beginning July 1, 2013, through
4.27 June 30, 2015. Waiver allocations shall
4.28 be targeted to individuals who meet the
4.29 priorities for accessing waiver services
4.30 identified in Minnesota Statutes, 256B.092,
4.31 subdivision 12. The limits do not include
4.32 conversions from intermediate care facilities
4.33 for persons with developmental disabilities.
4.34 Notwithstanding any contrary provisions in
4.35 this article, this paragraph expires June 30,
4.36 2015.

5.1 **Limit Growth in the Community**

5.2 **Alternatives for Disabled Individuals**

5.3 **Waiver.** The commissioner shall limit
 5.4 growth in the community alternatives for
 5.5 disabled individuals waiver to 60 allocations
 5.6 per month beginning July 1, 2011, through
 5.7 June 30, 2013, and 85 allocations per
 5.8 month beginning July 1, 2013, through
 5.9 June 30, 2015. Waiver allocations must
 5.10 be targeted to individuals who meet the
 5.11 priorities for accessing waiver services
 5.12 identified in Minnesota Statutes, section
 5.13 256B.49, subdivision 11a. The limits include
 5.14 conversions and diversions, unless the
 5.15 commissioner has approved a plan to convert
 5.16 funding due to the closure or downsizing
 5.17 of a residential facility or nursing facility
 5.18 to serve directly affected individuals on
 5.19 the community alternatives for disabled
 5.20 individuals waiver. Notwithstanding any
 5.21 contrary provisions in this article, this
 5.22 paragraph expires June 30, 2015.

5.23 **Personal Care Assistance Relative**

5.24 **Care.** The commissioner shall adjust the
 5.25 capitation payment rates for managed care
 5.26 organizations paid under Minnesota Statutes,
 5.27 section 256B.69, to reflect the rate reductions
 5.28 for personal care assistance provided by
 5.29 a relative pursuant to Minnesota Statutes,
 5.30 section 256B.0659, subdivision 11. This rate
 5.31 reduction is effective July 1, 2013.

5.32 (h) Alternative Care Grants	46,421,000	46,035,000
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5.33 **Alternative Care Transfer.** Any money
 5.34 allocated to the alternative care program that
 5.35 is not spent for the purposes indicated does

6.1 not cancel but shall be transferred to the
6.2 medical assistance account.

6.3	(i) Chemical Dependency Entitlement Grants	94,675,000	93,298,000
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6.4 **EFFECTIVE DATE.** This section is effective August 1, 2013.