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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 696

01/23/2023 Authored by Frederick; Brand; Fischer; Hanson, J.; Frazier and others
The bill was read for the first time and referred to the Committee on Human Services Finance

1.1 A bill for an act
1.2 relating to human services; modifying community first services and supports
1.3 payment rates; amending Minnesota Statutes 2022, section 256B.851, subdivisions
1.4 3, 4, 5.

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

1.6 Section 1. Minnesota Statutes 2022, section 256B.851, subdivision 3, is amended to read:

1.7 Subd. 3. Payment rates; base wage index. ~~When initially establishing~~ (a) Beginning
1.8 January 1, 2024, and every two years thereafter, the commissioner must establish the base
1.9 wage component values, the commissioner must use using the Minnesota-specific median
1.10 wage for the standard occupational classification (SOC) codes published by the Bureau of
1.11 Labor Statistics in the most recently available edition of the Occupational Handbook available
1.12 January 1, 2021. The commissioner must calculate the base wage component values as
1.13 follows ~~for~~:

1.14 (1) for personal care assistance services, CFSS, extended personal care assistance services,
1.15 and extended CFSS, the base wage component value equals the median wage for personal
1.16 care aide (SOC code 31-1120);

1.17 (2) for enhanced rate personal care assistance services and enhanced rate CFSS, the
1.18 base wage component value equals the product of median wage for personal care aide (SOC
1.19 code 31-1120) and the value of the enhanced rate under section ~~256B.0659, subdivision~~
1.20 ~~47a~~ 256B.85, subdivision 7a; and

1.21 (3) for qualified professional services and CFSS worker training and development, the
1.22 base wage component value equals the sum of 70 percent of the median wage for registered
1.23 nurse (SOC code 29-1141), 15 percent of the median wage for health care social worker

2.1 (SOC code 21-1099), and 15 percent of the median wage for social and human service
2.2 assistant (SOC code 21-1093).

2.3 (b) The commissioner must publish on the department's website the current base wage
2.4 component values.

2.5 **EFFECTIVE DATE.** This section is effective January 1, 2024.

2.6 Sec. 2. Minnesota Statutes 2022, section 256B.851, subdivision 4, is amended to read:

2.7 Subd. 4. **Payment rates; total wage index.** (a) The commissioner must multiply the
2.8 base wage component values in subdivision 3 by one plus the appropriate competitive
2.9 workforce factor. ~~The product is~~ products are the total wage component ~~value~~ values. The
2.10 commissioner must publish on the department's website the current total wage component
2.11 values.

2.12 (b) For personal care assistance services, CFSS, extended personal care assistance
2.13 services, extended CFSS, enhanced rate personal care assistance services, and enhanced
2.14 rate CFSS, the initial competitive workforce factor is 4.7 percent. Beginning January 1,
2.15 2024, and every two years thereafter, the commissioner must adjust the total wage component
2.16 values in this paragraph by applying an updated competitive workforce factor using the
2.17 most recently available data. The commissioner must calculate the biennial update to the
2.18 competitive workforce factor after establishing the base wage component values required
2.19 in subdivision 3. The commissioner must determine the updated competitive workforce
2.20 factor by adjusting it toward the percent difference between:

2.21 (1) the median wage for personal care aide (SOC code 39-9021); and

2.22 (2) the weighted average wage for all other SOC codes with the same Bureau of Labor
2.23 Statistics classifications for education, experience, and training required for job competency.

2.24 (c) For each biennial update of the competitive workforce factor under paragraph (b),
2.25 the commissioner must not increase or decrease the competitive workforce factor from its
2.26 previous value by more than three percentage points. If, after a biennial adjustment, the
2.27 competitive workforce factor is less than or equal to zero, the competitive workforce factor
2.28 must be zero. The commissioner must publish on the department's website the updated
2.29 competitive workforce factor.

2.30 ~~(e)~~ (d) For qualified professional services and CFSS worker training and development,
2.31 the competitive workforce factor is zero percent.

2.32 **EFFECTIVE DATE.** This section is effective January 1, 2024.

3.1 Sec. 3. Minnesota Statutes 2022, section 256B.851, subdivision 5, is amended to read:

3.2 Subd. 5. **Payment rates; component values.** (a) The commissioner must use the
3.3 following component values:

3.4 (1) employee vacation, sick, and training factor, 8.71 percent;

3.5 (2) employer taxes and workers' compensation factor, 11.56 percent;

3.6 (3) employee benefits factor, 12.04 percent;

3.7 (4) client programming and supports factor, 2.30 percent;

3.8 (5) program plan support factor, 7.00 percent;

3.9 (6) general business and administrative expenses factor, 13.25 percent;

3.10 (7) program administration expenses factor, 2.90 percent; and

3.11 (8) absence and utilization factor, 3.90 percent.

3.12 (b) For purposes of implementation, the commissioner shall use the following
3.13 implementation components:

3.14 (1) personal care assistance services and CFSS: 75.45 percent;

3.15 (2) enhanced rate personal care assistance services and enhanced rate CFSS: 75.45
3.16 percent; and

3.17 (3) qualified professional services and CFSS worker training and development: 75.45
3.18 percent.

3.19 (c) Beginning January 1, 2026, and every two years thereafter, the implementation
3.20 components under paragraph (b) must be increased by two percentage points until the value
3.21 of each implementation component is 100 percent.

3.22 (d) Beginning January 1, 2024, and every two years thereafter, the component value in
3.23 paragraph (a), clause (4), shall be updated for changes in the Consumer Price Index by the
3.24 difference between the most recent update and the data available six months and one day
3.25 before the scheduled update.

3.26 **EFFECTIVE DATE.** This section is effective January 1, 2024.