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State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION

H. F. No. 3191

03/01/2018 Authored by Schomacker, Baker, Bennett and Backer
The bill was read for the first time and referred to the Committee on Health and Human Services Reform

1.1 A bill for an act
1.2 relating to human services; modifying the disability waiver rate system; amending
1.3 Minnesota Statutes 2017 Supplement, section 256B.4914, subdivisions 5, 6, 7, 8,
1.4 9; proposing coding for new law in Minnesota Statutes, chapter 256B.

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

1.6 Section 1. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 5, is
1.7 amended to read:

1.8 Subd. 5. **Base wage index and standard component values.** (a) The base wage index
1.9 is established to determine staffing costs associated with providing services to individuals
1.10 receiving home and community-based services. For purposes of developing and calculating
1.11 the proposed base wage, Minnesota-specific wages for the Minneapolis-St.
1.12 Paul-Bloomington, MN-WI metropolitan statistical area taken from job descriptions and
1.13 standard occupational classification (SOC) codes from the Bureau of Labor Statistics as
1.14 defined in the most recent edition of the Occupational Handbook must be used. The base
1.15 wage index must be calculated as follows:

1.16 (1) for residential direct care staff, the sum of:

1.17 (i) 15 percent of the subtotal of 50 percent of the median wage for personal and home
1.18 health aide (SOC code 39-9021); 30 percent of the median wage for nursing assistant (SOC
1.19 code 31-1014); and 20 percent of the median wage for social and human services aide (SOC
1.20 code 21-1093); and

1.21 (ii) 85 percent of the subtotal of 20 percent of the median wage for home health aide
1.22 (SOC code 31-1011); 20 percent of the median wage for personal and home health aide
1.23 (SOC code 39-9021); 20 percent of the median wage for nursing assistant (SOC code

2.1 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053);
2.2 and 20 percent of the median wage for social and human services aide (SOC code 21-1093);

2.3 (2) for day services, 20 percent of the median wage for nursing assistant (SOC code
2.4 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053);
2.5 and 60 percent of the median wage for social and human services aide (SOC code 21-1093);

2.6 (3) for residential asleep-overnight staff, the wage is the minimum wage in Minnesota
2.7 for large employers, except in a family foster care setting, the wage is 36 percent of the
2.8 minimum wage in Minnesota for large employers;

2.9 (4) for behavior program analyst staff, 100 percent of the median wage for mental health
2.10 counselors (SOC code 21-1014);

2.11 (5) for behavior program professional staff, 100 percent of the median wage for clinical
2.12 counseling and school psychologist (SOC code 19-3031);

2.13 (6) for behavior program specialist staff, 100 percent of the median wage for psychiatric
2.14 technicians (SOC code 29-2053);

2.15 (7) for supportive living services staff, 20 percent of the median wage for nursing assistant
2.16 (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code
2.17 29-2053); and 60 percent of the median wage for social and human services aide (SOC code
2.18 21-1093);

2.19 (8) for housing access coordination staff, 100 percent of the median wage for community
2.20 and social services specialist (SOC code 21-1099);

2.21 (9) for in-home family support staff, 20 percent of the median wage for nursing aide
2.22 (SOC code 31-1012); 30 percent of the median wage for community social service specialist
2.23 (SOC code 21-1099); 40 percent of the median wage for social and human services aide
2.24 (SOC code 21-1093); and ten percent of the median wage for psychiatric technician (SOC
2.25 code 29-2053);

2.26 (10) for individualized home supports services staff, 40 percent of the median wage for
2.27 community social service specialist (SOC code 21-1099); 50 percent of the median wage
2.28 for social and human services aide (SOC code 21-1093); and ten percent of the median
2.29 wage for psychiatric technician (SOC code 29-2053);

2.30 (11) for independent living skills staff, 40 percent of the median wage for community
2.31 social service specialist (SOC code 21-1099); 50 percent of the median wage for social and
2.32 human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric
2.33 technician (SOC code 29-2053);

3.1 (12) for independent living skills specialist staff, 100 percent of mental health and
3.2 substance abuse social worker (SOC code 21-1023);

3.3 (13) for supported employment staff, 20 percent of the median wage for nursing assistant
3.4 (SOC code 31-1014); 20 percent of the median wage for psychiatric technician (SOC code
3.5 29-2053); and 60 percent of the median wage for social and human services aide (SOC code
3.6 21-1093);

3.7 (14) for employment support services staff, 50 percent of the median wage for
3.8 rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for
3.9 community and social services specialist (SOC code 21-1099);

3.10 (15) for employment exploration services staff, 50 percent of the median wage for
3.11 rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for
3.12 community and social services specialist (SOC code 21-1099);

3.13 (16) for employment development services staff, 50 percent of the median wage for
3.14 education, guidance, school, and vocational counselors (SOC code 21-1012); and 50 percent
3.15 of the median wage for community and social services specialist (SOC code 21-1099);

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

3.19 (18) for night supervision staff, 20 percent of the median wage for home health aide
3.20 (SOC code 31-1011); 20 percent of the median wage for personal and home health aide
3.21 (SOC code 39-9021); 20 percent of the median wage for nursing assistant (SOC code
3.22 31-1014); 20 percent of the median wage for psychiatric technician (SOC code 29-2053);
3.23 and 20 percent of the median wage for social and human services aide (SOC code 21-1093);

3.24 (19) for respite staff, 50 percent of the median wage for personal and home care aide
3.25 (SOC code 39-9021); and 50 percent of the median wage for nursing assistant (SOC code
3.26 31-1014);

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

3.30 (21) for supervisory staff, 100 percent of the median wage for community and social
3.31 services specialist (SOC code 21-1099), with the exception of the supervisor of behavior
3.32 professional, behavior analyst, and behavior specialists, which is 100 percent of the median
3.33 wage for clinical counseling and school psychologist (SOC code 19-3031);

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

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

4.5 (b) Component values for residential support services are:

4.6 (1) supervisory span of control ratio: 11 percent;

4.7 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;

4.8 (3) employee-related cost ratio: 23.6 percent;

4.9 (4) general administrative support ratio: 13.25 percent;

4.10 (5) program-related expense ratio: 1.3 percent; and

4.11 (6) absence and utilization factor ratio: 3.9 percent.

4.12 (c) Component values for family foster care are:

4.13 (1) supervisory span of control ratio: 11 percent;

4.14 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;

4.15 (3) employee-related cost ratio: 23.6 percent;

4.16 (4) general administrative support ratio: 3.3 percent;

4.17 (5) program-related expense ratio: 1.3 percent; and

4.18 (6) absence factor: 1.7 percent.

4.19 (d) Component values for day services for all services are:

4.20 (1) supervisory span of control ratio: 11 percent;

4.21 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;

4.22 (3) employee-related cost ratio: 23.6 percent;

4.23 (4) program plan support ratio: 5.6 percent;

4.24 (5) client programming and support ratio: ten percent;

4.25 (6) general administrative support ratio: 13.25 percent;

4.26 (7) program-related expense ratio: 1.8 percent; and

4.27 (8) absence and utilization factor ratio: 9.4 percent.

4.28 (e) Component values for unit-based services with programming are:

- 5.1 (1) supervisory span of control ratio: 11 percent;
- 5.2 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 5.3 (3) employee-related cost ratio: 23.6 percent;
- 5.4 (4) program plan supports ratio: 15.5 percent;
- 5.5 (5) client programming and supports ratio: 4.7 percent;
- 5.6 (6) general administrative support ratio: 13.25 percent;
- 5.7 (7) program-related expense ratio: 6.1 percent; and
- 5.8 (8) absence and utilization factor ratio: 3.9 percent.
- 5.9 (f) Component values for unit-based services without programming except respite are:
- 5.10 (1) supervisory span of control ratio: 11 percent;
- 5.11 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 5.12 (3) employee-related cost ratio: 23.6 percent;
- 5.13 (4) program plan support ratio: 7.0 percent;
- 5.14 (5) client programming and support ratio: 2.3 percent;
- 5.15 (6) general administrative support ratio: 13.25 percent;
- 5.16 (7) program-related expense ratio: 2.9 percent; and
- 5.17 (8) absence and utilization factor ratio: 3.9 percent.
- 5.18 (g) Component values for unit-based services without programming for respite are:
- 5.19 (1) supervisory span of control ratio: 11 percent;
- 5.20 (2) employee vacation, sick, and training allowance ratio: 8.71 percent;
- 5.21 (3) employee-related cost ratio: 23.6 percent;
- 5.22 (4) general administrative support ratio: 13.25 percent;
- 5.23 (5) program-related expense ratio: 2.9 percent; and
- 5.24 (6) absence and utilization factor ratio: 3.9 percent.
- 5.25 (h) On July 1, 2017, the commissioner shall update the base wage index in paragraph
- 5.26 (a) based on the wage data by standard occupational code (SOC) from the Bureau of Labor
- 5.27 Statistics available on December 31, 2016. The commissioner shall publish these updated
- 5.28 values and load them into the rate management system. On ~~July~~ January 1, 2022, and every

6.1 ~~five~~ two years thereafter, the commissioner shall update the base wage index in paragraph
 6.2 (a) based on the ~~most recently available~~ wage data by SOC from the Bureau of Labor
 6.3 Statistics available on December 31 of the year two years prior to the scheduled update.
 6.4 The commissioner shall publish these updated values and load them into the rate management
 6.5 system.

6.6 (i) On July 1, 2017, the commissioner shall update the framework components in
 6.7 paragraph (d), clause (5); paragraph (e), clause (5); and paragraph (f), clause (5); subdivision
 6.8 6, clauses (8) and (9); and subdivision 7, clauses (10), (16), and (17), for changes in the
 6.9 Consumer Price Index. The commissioner will adjust these values higher or lower by the
 6.10 percentage change in the Consumer Price Index-All Items, United States city average
 6.11 (CPI-U) from January 1, 2014, to January 1, 2017. The commissioner shall publish these
 6.12 updated values and load them into the rate management system. On ~~July~~ January 1, 2022,
 6.13 and every ~~five~~ two years thereafter, the commissioner shall update the framework components
 6.14 in paragraph (d), clause (5); paragraph (e), clause (5); and paragraph (f), clause (5);
 6.15 subdivision 6, clauses (8) and (9); and subdivision 7, clauses (10), (16), and (17), for changes
 6.16 in the Consumer Price Index. The commissioner shall adjust these values higher or lower
 6.17 by the percentage change in the CPI-U from the date of the previous update to the ~~date of~~
 6.18 ~~the data most recently available~~ on December 31 of the year two years prior to the scheduled
 6.19 update. The commissioner shall publish these updated values and load them into the rate
 6.20 management system.

6.21 (j) In this subdivision, if Bureau of Labor Statistics occupational codes or Consumer
 6.22 Price Index items are unavailable in the future, the commissioner shall recommend to the
 6.23 legislature codes or items to update and replace missing component values.

6.24 **EFFECTIVE DATE.** This section is effective January 1, 2022.

6.25 Sec. 2. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 6, is amended
 6.26 to read:

6.27 **Subd. 6. Payments for residential support services.** (a) Payments for residential support
 6.28 services, as defined in sections 256B.092, subdivision 11, and 256B.49, subdivision 22,
 6.29 must be calculated as follows:

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

7.1 (2) personnel hourly wage rate must be based on the 2009 Bureau of Labor Statistics
7.2 Minnesota-specific rates or rates derived by the commissioner as provided in subdivision
7.3 5. This is defined as the direct-care rate;

7.4 (3) for a recipient requiring customization for deaf and hard-of-hearing language
7.5 accessibility under subdivision 12, add the customization rate provided in subdivision 12
7.6 to the result of clause (2). This is defined as the customized direct-care rate;

7.7 (4) multiply the number of shared and individual direct staff hours provided on site or
7.8 through monitoring technology and nursing hours by the appropriate staff wages in
7.9 subdivision 5, paragraph (a), or the customized direct-care rate;

7.10 (5) multiply the number of shared and individual direct staff hours provided on site or
7.11 through monitoring technology and nursing hours by the product of the supervision span
7.12 of control ratio in subdivision 5, paragraph (b), clause (1), and the appropriate supervision
7.13 wage in subdivision 5, paragraph (a), clause (21);

7.14 (6) combine the results of clauses (4) and (5), excluding any shared and individual direct
7.15 staff hours provided through monitoring technology, and multiply the result by one plus
7.16 the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (b),
7.17 clause (2). This is defined as the direct staffing cost;

7.18 (7) for employee-related expenses, multiply the direct staffing cost, excluding any shared
7.19 and individual direct staff hours provided through monitoring technology, by one plus the
7.20 employee-related cost ratio in subdivision 5, paragraph (b), clause (3);

7.21 (8) for client programming and supports, the commissioner shall add \$2,179; and

7.22 (9) for transportation, if provided, the commissioner shall add \$1,680, or \$3,000 if
7.23 customized for adapted transport, based on the resident with the highest assessed need.

7.24 (b) The total rate must be calculated using the following steps:

7.25 (1) subtotal paragraph (a), clauses (7) to (9), and the direct staffing cost of any shared
7.26 and individual direct staff hours provided through monitoring technology that was excluded
7.27 in clause (7);

7.28 (2) sum the standard general and administrative rate, the program-related expense ratio,
7.29 and the absence and utilization ratio; and

7.30 (3) divide the result of clause (1) by one minus the result of clause (2). This is the total
7.31 payment amount; ~~and~~.

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

8.3 (c) The payment methodology for customized living, 24-hour customized living, and
 8.4 residential care services must be the customized living tool. Revisions to the customized
 8.5 living tool must be made to reflect the services and activities unique to disability-related
 8.6 recipient needs.

8.7 (d) For individuals enrolled prior to January 1, 2014, the days of service authorized must
 8.8 meet or exceed the days of service used to convert service agreements in effect on December
 8.9 1, 2013, and must not result in a reduction in spending or service utilization due to conversion
 8.10 during the implementation period under section 256B.4913, subdivision 4a. If during the
 8.11 implementation period, an individual's historical rate, including adjustments required under
 8.12 section 256B.4913, subdivision 4a, paragraph (c), is equal to or greater than the rate
 8.13 determined in this subdivision, the number of days authorized for the individual is 365.

8.14 (e) The number of days authorized for all individuals enrolling after January 1, 2014,
 8.15 in residential services must include every day that services start and end.

8.16 **EFFECTIVE DATE.** This section is effective January 1, 2022.

8.17 Sec. 3. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 7, is amended
 8.18 to read:

8.19 Subd. 7. **Payments for day programs.** Payments for services with day programs
 8.20 including adult day care, day treatment and habilitation, prevocational services, and structured
 8.21 day services must be calculated as follows:

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

8.23 (i) the staffing ratios for the units of service provided to a recipient in a typical week
 8.24 must be averaged to determine an individual's staffing ratio; and

8.25 (ii) the commissioner, in consultation with service providers, shall develop a uniform
 8.26 staffing ratio worksheet to be used to determine staffing ratios under this subdivision;

8.27 (2) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics
 8.28 Minnesota-specific rates or rates derived by the commissioner as provided in subdivision
 8.29 5;

8.30 (3) for a recipient requiring customization for deaf and hard-of-hearing language
 8.31 accessibility under subdivision 12, add the customization rate provided in subdivision 12
 8.32 to the result of clause (2). This is defined as the customized direct-care rate;

9.1 (4) multiply the number of day program direct staff hours and nursing hours by the
9.2 appropriate staff wage in subdivision 5, paragraph (a), or the customized direct-care rate;

9.3 (5) multiply the number of day direct staff hours by the product of the supervision span
9.4 of control ratio in subdivision 5, paragraph (d), clause (1), and the appropriate supervision
9.5 wage in subdivision 5, paragraph (a), clause (21);

9.6 (6) combine the results of clauses (4) and (5), and multiply the result by one plus the
9.7 employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (d), clause
9.8 (2). This is defined as the direct staffing rate;

9.9 (7) for program plan support, multiply the result of clause (6) by one plus the program
9.10 plan support ratio in subdivision 5, paragraph (d), clause (4);

9.11 (8) for employee-related expenses, multiply the result of clause (7) by one plus the
9.12 employee-related cost ratio in subdivision 5, paragraph (d), clause (3);

9.13 (9) for client programming and supports, multiply the result of clause (8) by one plus
9.14 the client programming and support ratio in subdivision 5, paragraph (d), clause (5);

9.15 (10) for program facility costs, add \$19.30 per week with consideration of staffing ratios
9.16 to meet individual needs;

9.17 (11) for adult day bath services, add \$7.01 per 15 minute unit;

9.18 (12) this is the subtotal rate;

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

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

9.23 ~~(15) adjust the result of clause (14) by a factor to be determined by the commissioner~~
9.24 ~~to adjust for regional differences in the cost of providing services;~~

9.25 ~~(16)~~ (15) for transportation provided as part of day training and habilitation for an
9.26 individual who does not require a lift, add:

9.27 (i) \$10.50 for a trip between zero and ten miles for a nonshared ride in a vehicle without
9.28 a lift, \$8.83 for a shared ride in a vehicle without a lift, and \$9.25 for a shared ride in a
9.29 vehicle with a lift;

10.1 (ii) \$15.75 for a trip between 11 and 20 miles for a nonshared ride in a vehicle without
 10.2 a lift, \$10.58 for a shared ride in a vehicle without a lift, and \$11.88 for a shared ride in a
 10.3 vehicle with a lift;

10.4 (iii) \$25.75 for a trip between 21 and 50 miles for a nonshared ride in a vehicle without
 10.5 a lift, \$13.92 for a shared ride in a vehicle without a lift, and \$16.88 for a shared ride in a
 10.6 vehicle with a lift; or

10.7 (iv) \$33.50 for a trip of 51 miles or more for a nonshared ride in a vehicle without a lift,
 10.8 \$16.50 for a shared ride in a vehicle without a lift, and \$20.75 for a shared ride in a vehicle
 10.9 with a lift; and

10.10 ~~(17)~~ (16) for transportation provided as part of day training and habilitation for an
 10.11 individual who does require a lift, add:

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

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

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

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

10.20 **EFFECTIVE DATE.** This section is effective January 1, 2022.

10.21 Sec. 4. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 8, is amended
 10.22 to read:

10.23 Subd. 8. **Payments for unit-based services with programming.** Payments for unit-based
 10.24 services with programming, including behavior programming, housing access coordination,
 10.25 in-home family support, independent living skills training, independent living skills specialist
 10.26 services, individualized home supports, hourly supported living services, employment
 10.27 exploration services, employment development services, supported employment, and
 10.28 employment support services provided to an individual outside of any day or residential
 10.29 service plan must be calculated as follows, unless the services are authorized separately
 10.30 under subdivision 6 or 7:

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

11.1 (2) personnel hourly wage rate must be based on the 2009 Bureau of Labor Statistics
11.2 Minnesota-specific rates or rates derived by the commissioner as provided in subdivision
11.3 5;

11.4 (3) for a recipient requiring customization for deaf and hard-of-hearing language
11.5 accessibility under subdivision 12, add the customization rate provided in subdivision 12
11.6 to the result of clause (2). This is defined as the customized direct-care rate;

11.7 (4) multiply the number of direct staff hours by the appropriate staff wage in subdivision
11.8 5, paragraph (a), or the customized direct-care rate;

11.9 (5) multiply the number of direct staff hours by the product of the supervision span of
11.10 control ratio in subdivision 5, paragraph (e), clause (1), and the appropriate supervision
11.11 wage in subdivision 5, paragraph (a), clause (21);

11.12 (6) combine the results of clauses (4) and (5), and multiply the result by one plus the
11.13 employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (e), clause
11.14 (2). This is defined as the direct staffing rate;

11.15 (7) for program plan support, multiply the result of clause (6) by one plus the program
11.16 plan supports ratio in subdivision 5, paragraph (e), clause (4);

11.17 (8) for employee-related expenses, multiply the result of clause (7) by one plus the
11.18 employee-related cost ratio in subdivision 5, paragraph (e), clause (3);

11.19 (9) for client programming and supports, multiply the result of clause (8) by one plus
11.20 the client programming and supports ratio in subdivision 5, paragraph (e), clause (5);

11.21 (10) this is the subtotal rate;

11.22 (11) sum the standard general and administrative rate, the program-related expense ratio,
11.23 and the absence and utilization factor ratio;

11.24 (12) divide the result of clause (10) by one minus the result of clause (11). This is the
11.25 total payment amount; and

11.26 (13) for supported employment provided in a shared manner, divide the total payment
11.27 amount in clause (12) by the number of service recipients, not to exceed three. For
11.28 employment support services provided in a shared manner, divide the total payment amount
11.29 in clause (12) by the number of service recipients, not to exceed six. For independent living
11.30 skills training and individualized home supports provided in a shared manner, divide the
11.31 total payment amount in clause (12) by the number of service recipients, not to exceed two;
11.32 and.

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

12.3 **EFFECTIVE DATE.** This section is effective January 1, 2022.

12.4 Sec. 5. Minnesota Statutes 2017 Supplement, section 256B.4914, subdivision 9, is amended
12.5 to read:

12.6 Subd. 9. **Payments for unit-based services without programming.** Payments for
12.7 unit-based services without programming, including night supervision, personal support,
12.8 respite, and companion care provided to an individual outside of any day or residential
12.9 service plan must be calculated as follows unless the services are authorized separately
12.10 under subdivision 6 or 7:

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

12.13 (2) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics
12.14 Minnesota-specific rate or rates derived by the commissioner as provided in subdivision 5;

12.15 (3) for a recipient requiring customization for deaf and hard-of-hearing language
12.16 accessibility under subdivision 12, add the customization rate provided in subdivision 12
12.17 to the result of clause (2). This is defined as the customized direct care rate;

12.18 (4) multiply the number of direct staff hours by the appropriate staff wage in subdivision
12.19 5 or the customized direct care rate;

12.20 (5) multiply the number of direct staff hours by the product of the supervision span of
12.21 control ratio in subdivision 5, paragraph (f), clause (1), and the appropriate supervision
12.22 wage in subdivision 5, paragraph (a), clause (21);

12.23 (6) combine the results of clauses (4) and (5), and multiply the result by one plus the
12.24 employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (f), clause
12.25 (2). This is defined as the direct staffing rate;

12.26 (7) for program plan support, multiply the result of clause (6) by one plus the program
12.27 plan support ratio in subdivision 5, paragraph (f), clause (4);

12.28 (8) for employee-related expenses, multiply the result of clause (7) by one plus the
12.29 employee-related cost ratio in subdivision 5, paragraph (f), clause (3);

12.30 (9) for client programming and supports, multiply the result of clause (8) by one plus
12.31 the client programming and support ratio in subdivision 5, paragraph (f), clause (5);

13.1 (10) this is the subtotal rate;

13.2 (11) sum the standard general and administrative rate, the program-related expense ratio,
13.3 and the absence and utilization factor ratio;

13.4 (12) divide the result of clause (10) by one minus the result of clause (11). This is the
13.5 total payment amount;

13.6 (13) for respite services, determine the number of day units of service to meet an
13.7 individual's needs;

13.8 (14) personnel hourly wage rates must be based on the 2009 Bureau of Labor Statistics
13.9 Minnesota-specific rate or rates derived by the commissioner as provided in subdivision 5;

13.10 (15) for a recipient requiring deaf and hard-of-hearing customization under subdivision
13.11 12, add the customization rate provided in subdivision 12 to the result of clause (14). This
13.12 is defined as the customized direct care rate;

13.13 (16) multiply the number of direct staff hours by the appropriate staff wage in subdivision
13.14 5, paragraph (a);

13.15 (17) multiply the number of direct staff hours by the product of the supervisory span of
13.16 control ratio in subdivision 5, paragraph (g), clause (1), and the appropriate supervision
13.17 wage in subdivision 5, paragraph (a), clause (21);

13.18 (18) combine the results of clauses (16) and (17), and multiply the result by one plus
13.19 the employee vacation, sick, and training allowance ratio in subdivision 5, paragraph (g),
13.20 clause (2). This is defined as the direct staffing rate;

13.21 (19) for employee-related expenses, multiply the result of clause (18) by one plus the
13.22 employee-related cost ratio in subdivision 5, paragraph (g), clause (3);

13.23 (20) this is the subtotal rate;

13.24 (21) sum the standard general and administrative rate, the program-related expense ratio,
13.25 and the absence and utilization factor ratio; and

13.26 (22) divide the result of clause (20) by one minus the result of clause (21). This is the
13.27 total payment amount; and

13.28 ~~(23) adjust the result of clauses (12) and (22) by a factor to be determined by the~~
13.29 ~~commissioner to adjust for regional differences in the cost of providing services.~~

13.30 **EFFECTIVE DATE.** This section is effective January 1, 2022.

14.1 Sec. 6. **[256B.4915] DISABILITY WAIVER REIMBURSEMENT RATE**

14.2 **ADJUSTMENTS.**

14.3 Subdivision 1. **Historical rates.** The commissioner shall adjust the historical rates
 14.4 calculated in section 256B.4913, subdivision 4a, paragraph (b), in effect during the banding
 14.5 period defined in section 256B.4913, subdivision 4a, paragraph (a), to include the
 14.6 reimbursement rate adjustments under Laws 2013, chapter 108, article 7, section 60; Laws
 14.7 2014, chapter 312, article 27, section 75; and the quality add-on as determined by section
 14.8 256B.439, subdivision 7.

14.9 Subd. 2. **Quality add-on.** The commissioner of human services shall adjust the rates
 14.10 calculated in section 256B.4914, subdivision 6, paragraph (b), clause (4), and paragraph
 14.11 (c); subdivision 7, clauses (15) to (17); subdivision 8, clause (14); and subdivision 9, clause
 14.12 (23), for the quality add-on determined under section 256B.439, subdivision 7.

14.13 Subd. 3. **Quality add-on increase.** The funds appropriated for the purposes of the quality
 14.14 add-on under section 256B.439, subdivision 7, shall be increased by the equivalent of one
 14.15 percent of the reimbursement rates paid to home and community-based providers under
 14.16 section 256B.4914.

14.17 Subd. 4. **Rate adjustment for customized living and residential care services.** The
 14.18 commissioner of human services shall adjust the rates calculated in section 256B.4914 for
 14.19 customized living, 24-hour customized living, and residential care services to include the
 14.20 reimbursement rate adjustments under Laws 2013, chapter 108, article 7, section 60; and
 14.21 Laws 2014, chapter 312, article 27, section 75.

14.22 **EFFECTIVE DATE.** Subdivision 1 is effective the day following final enactment.
 14.23 Subdivisions 2 to 4 are effective January 1, 2022.

14.24 Sec. 7. **DIRECTION TO COMMISSIONER; DISABILITY WAIVER RATE**
 14.25 **SYSTEM ADJUSTMENTS.**

14.26 Until January 1, 2022, the commissioner of human services shall adjust the rates
 14.27 calculated in Minnesota Statutes, section 256B.4914, subdivision 6, paragraph (b), clause
 14.28 (4), and paragraph (c); subdivision 7, clauses (15) to (17); subdivision 8, clause (14); and
 14.29 subdivision 9, clause (23), to include reimbursement rate adjustments under Laws 2013,
 14.30 chapter 108, article 7, section 60; Laws 2014, chapter 312, article 27, section 75; and the
 14.31 quality add-on as determined by Minnesota Statutes, section 256B.439, subdivision 7.

14.32 **EFFECTIVE DATE.** This section is effective July 1, 2018.