



Minnesota Department of Human Services

Health Care Administration

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January 31, 2023

Jennifer Bowdoin

U.S. Dept. of Health and Human Services Centers for Medicare and Medicaid Services

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Baltimore, MD 21244-1850

Dear Director Bowdoin,

On January 24, 2022, the Minnesota Department of Human Services (DHS) received conditional approval of Minnesota's spending plan and narrative proposing a host of activities to enhance, expand, and strengthen home and community based services (HCBS) under the Medicaid program. The state has moved forward with implementation of nearly all of activities listed in the spending plan and has prepared this quarterly report to keep the Centers for Medicare and Medicaid Services (CMS) apprised of the state's progress. None of the activities detailed in this plan include funding for room and board.

States implementing activities pursuant to Section 9817 of the American Rescue Plan Act are required to submit semi-annual HCBS spending narratives detailing state activities to enhance, expand, or strengthen Medicaid HCBS and quarterly expenditure data. This submission includes the required semi-annual submission with an updated project narrative and the quarterly expenditure data detailed in an Excel workbook.

The state is awaiting CMS guidance regarding methods for both claiming increased FMAP and reporting qualifying expenditures for HCBS services provided under managed care. Absent this guidance, the state's expenditure reports for Medicaid program expenditures will include only estimated HCBS claiming and expenditure data.

The Department appreciates CMS' ongoing support and partnership and looks forward to working with CMS throughout implementation of this project. Please direct any questions to our Deputy Medicaid Director Patrick Hultman at [REDACTED] who is coordinating the state's quarterly submissions.

Sincerely,

[REDACTED]  
Cynthia M. MacDonald  
Assistant Commissioner and Minnesota Medicaid Director

## **Spending Plan Narrative Report**

### **Minnesota's Activities Supporting Medicaid Home and Community Based Services Pursuant to Section 9817 of the American Rescue Plan Act**

**January 31, 2023**

## Introduction

Section 9817 of the American Rescue Plan Act provides states with a one-year, 10 percent increase in the federal medical assistance percentage (FMAP) for certain home and community-based services (HCBS) funded under Medicaid. The enhanced FMAP applies to allowable expenditures for services provided between April 1, 2021, and March 31, 2022. States must use state funds equivalent to the amount of federal funds attributable to the increased FMAP to implement or supplement the implementation of activities to enhance, expand, and strengthen HCBS under the Medicaid program. These state funds must be expended by March 31, 2024.

Minnesota anticipates an additional \$686 million in enhanced FMAP for the HCBS program improvement period between April 1, 2021 and March 31, 2022. Details regarding projected and actual expenditures can be found in the accompanying Final HCBS Spending Plan Expenditure Report July 2022 document.

The proposed activities to enhance, expand, and strengthen Medicaid HCBS are briefly described in this document. The activities are categorized as follows:

- increasing provider rates to enhance, expand, and strengthen access to HCBS;
- expanding services available under HCBS;
- supporting people receiving HCBS to live in their own homes;
- planning for and implementing reforms to expand, enhance, and strengthen the Medicaid HCBS system; and
- supporting and strengthening the infrastructure for HCBS in Minnesota.

## Rate Increases to Expand and Strengthen Access to HCBS

### Inflationary Increase for Service Rates under the Waiver Rate System (DWRS)

Effective January 1, 2022, rates for HCBS waiver services that are determined by Minnesota's DWRS will increase by an average of 9.7 percent. This rate increase applies to residential, day, and unit-based services accessed through the following § 1915(c) waivers:

- Brain Injury (BI)
- Community Alternative Care (CAC)
- Community Access for Disability Inclusion (CADI)
- Developmental Disabilities (DD)

**February 1, 2022 update:** CMS approved the Appendix K to its 1915(c) waivers that Minnesota submitted to enact this inflationary increase for waiver services effective January 1, 2022.

**July 18, 2022 update:** The inflationary adjustments were implemented in DWRS rate frameworks for services effective January 1, 2022.

**January 31, 2023 update:** The inflationary adjustments implemented effective January 1, 2022 remain in effect. State law requires the adjustments to remain at the level, or higher, than the level funded by the FMAP increase.

### Rate Increase for PCA Services

Effective October 1, 2021, rates for direct care services provided under PCA (via our state plan and HCBS waivers), Community First Services and Support (CFSS), a forthcoming service to be implemented later this year and our state-funded consumer support grant will increase by 10.1 percent. Effective 10/1/21, budget allotments for self-directed PCA services under our HCBS waivers will increase by 1.58 percent followed by an additional increase of 0.81 percent increase effective 7/1/22. This proposal also includes the following related expenses:

- cost reporting for PCA agencies and ongoing analysis of rates to inform future reforms;
- a study on PCA/CFSS wages for direct care workers and public program utilization;
- training stipends for direct care workers who are members of the statewide Service Employees International Union (SEIU) bargaining unit; and
- administrative costs to implement these provisions.

**February 1, 2022 update:** This payment rate increase received CMS approval and was implemented effective October 1, 2021.

**July 18, 2022 update:** The 0.81 percent increase for self-directed personal care services under HCBS waivers was implemented effective 7/1/22. The study on PCA/CFSS wages for direct care workers and public program utilization is in development and is expected to take twelve months to conduct. Stipends are being issued to direct care workers consistent with the terms of the SEIU collective bargaining agreement.

**January 31, 2023 update:** The 0.81 percent increase for self-directed personal care services under HCBS waivers was effective 7/1/22 and remains in effect. The cost reporting for PCA agencies is currently in the development process and on track for implementation in early 2024. The training stipends are being awarded at \$500 per award to direct support workers in the bargaining unit represented by SEIU Healthcare Minnesota.

## Rate Increase for Home Health Services

Effective 1/1/22, rates for home health services and home care nursing services will increase by 5 percent. Effective 1/1/22 and annually thereafter, these rates will also receive an annual inflationary increase (estimated to be between 2.58 and 2.96 percent each year).

**February 1, 2022 update:** This payment rate increase received CMS approval and was implemented effective January 1, 2022.

**July 18, 2022 update:** The increases that were effective January 1, 2022 are ongoing.

**January 31, 2023 update:** The increases effective January 1, 2022 are ongoing. The annual inflationary increase was implemented effective January 1, 2023.

## Rate Increase for Elderly Waiver (EW), Alternative Care (AC) and Essential Community Supports (ECS)

The State of Minnesota's 2019 elderly waiver rate study found significant gaps between existing and recommended rates to ensure timely access to home and community-based services for older adults. Effective 1/1/22, rates for all services (except for home-delivered meals) paid for through EW, AC, and the state-funded ECS programs will increase by an average of 3.15 percent.

**February 1, 2022 update:** The HCBS rate increases under EW, AC, and ECS were fully implemented on 1/1/2022. On and after that date, providers serving EW, AC, and ECS participants can access the higher rates.

**July 18, 2022 update:** The increases that were effective January 1, 2022 are ongoing.

**January 31, 2023 update:** The increases that were effective January 1, 2022 are ongoing.

## Increased Support for Substance Use Disorder (SUD) Services

This investment increases payment rates for SUD treatment providers that participate in Minnesota's § 1115 SUD demonstration waiver and agree to meet nationally recognized, evidence-based SUD program standards. Payment rates for participating providers will increase above the current base rates by 25 percent for residential services and 20 percent for outpatient services.

This investment also includes the following:

- enhanced rates for SUD providers that include culturally specific or culturally responsive programming, disability responsive programming, and programs providing childcare;
- funding to establish a community of practice for SUD providers and service recipients; and,
- administrative funding for training related to culturally and linguistically responsive programming.

**October 18, 2021 update:** The increased rates under this proposal also apply to the same services when provided to people not eligible for Medicaid. The enhanced payment rates for SUD providers, funding to establish a community of practice for SUD providers and service recipients, and administrative funding for training related to culturally and linguistically responsive programming will be directed towards substance use disorder treatment services provided under the rehabilitative services benefit authorized at section 1905(a)(13) and medication assisted treatment covered under section 1905(a)(29).

**February 1, 2022 update:** The state may now implement this activity pursuant to CMS' conditional approval letter of January 24, 2022.

**July 18, 2022 update:** Payments for this activity will not be made to Institutions for Mental Diseases (IMD).

The increased rates for culturally specific and culturally responsive, disability responsive, and clients with children enhancements was implemented July 1, 2022. A new attestation for culturally specific or culturally responsive providers has been developed and the state is working on a new disability responsive attestation process.

A Request for Proposal is in development for a vendor to support the development of the Substance Use Disorder Community of Practice.

Related to culturally and linguistically appropriate service (CLAS), an FTE has been hired and a Request for Proposal for training is in progress.

**January 31, 2023 update:** The increased rates for culturally specific and culturally responsive, disability responsive, and clients with children enhancements were implemented July 1, 2022 and are ongoing.

## Rate Floor for Customized Living Elderly Waiver

A designation of a "disproportionate share facility" will be established for any facility that serves a clientele of whom at least 80 percent are Elderly Waiver (EW) participants. Effective on July 1, 2022, DHS will establish a rate floor of \$119 per day for customized living services at designated facilities and the floor will increase annually. Providers receiving a rate increase under this section are not required to increase worker compensation.

**October 18, 2021 update:** Providers receiving a rate increase under this section are not required to increase worker compensation.

**February 1, 2022 update:** This activity will be implemented on or after July 1, 2022.

**July 18, 2022 update:** This rate floor was implemented effective July 1, 2022 for providers who applied and were determined to meet the criteria for designation as a "disproportionate share facility." DHS is now preparing for a fall 2022 disproportionate share facility application period. Providers designated through that application process will receive the rate floor effective January 1, 2023 through December 31, 2023.

**January 31, 2023 update:** The application process for the 2023 rate floor was held in September 2022. DHS approved the eligible providers and will begin paying the updated rate floor amount for all eligible claims beginning January 1, 2023.

## Adult Foster Care Residential Crisis Stabilization

Effective January 1, 2022, a statewide per diem rate will be established for adult foster care providers who provide residential crisis stabilization services. Payment rates will be calculated using provider cost reports.

**February 1, 2022 update:** State plan amendment TN# 21-32 authorizes this change and was submitted on January 5, 2022. The state received approval for this state plan amendment on January 31, 2022 and is working on implementation of the new rates.

**July 18, 2022 update:** The rates have been fully implemented.

**January 31, 2023 update:** These rates have been implemented and are ongoing.

## Expanding Home and Community Based Services

### Expansion of Telehealth Services

This investment expands the availability and use of telehealth to deliver home and community-based services, including the use of audio-only services. Most of the expansion is temporary, with a study on the impact to service access, quality, and fiscal policy due to the state legislature in January 2023 to inform future policy development.

**October 18, 2021 update:** This proposal expands the use of telehealth for rehabilitative services under 1905(b)(13) of the Social Security Act, including mental health and substance use disorders to facilitate access to quality behavioral health care services. This activity does not pay for ongoing internet connectivity costs. The study described above will examine the factors, including internet connectivity, that facilitate access to telehealth services.

**February 1, 2022 update:** The state may now implement this activity pursuant to CMS' conditional approval letter of January 24, 2022.

**July 18, 2022 update:** The state has contracted with a vendor to conduct the study and expects to finalize the preliminary report for the state legislature by January 2023. Health care accessibility and quality of care via telehealth are being assessed by qualitative and quantitative methods. Collaboration on the study is ongoing and includes Minnesota's Department of Human Services and Department of Health as well as partnerships with community members, Medicaid recipients, and policy personnel.

**January 31, 2023 update:** The state continues to provide Medicaid coverage for physical and behavioral health services via telehealth including audio-only mode. The state anticipates publishing a legislative report in January 2023 describing Medicaid recipients' access to telehealth, quality of clinical experience, clinical quality outcomes, and service utilization.

### Implementation of Community First Services and Supports (CFSS)

This investment expands services available under the PCA benefit available under the new 1915(i) and 1915(k) authority. The new PCA benefit called Community First Services and Supports (CFSS) will be available in the fall of 2021 and includes the following additional options and supports:

- a person's spouse or the parent of a minor may serve as the person's support worker;
- a person can purchase goods to aid in their independence;

- consultation services can provide education and support in writing a person's plan;
- the CFSS budget model will allow people to choose to be the employer of their support workers;
- the state will provide a budget that the provider agency or person may use to train workers on the individual needs of the person; and
- allows direct care workers to provide and bill for transportation time.

**February 1, 2022 update:** The state is conducting public notice and tribal consultation on the draft 1915(i) and 1915(k) amendments for this benefit and anticipates CMS submission in early February 2022.

**July 18, 2022:** The state submitted 1915(i) and 1915(k) amendments to CMS in March 2022. The state is currently responding to requests for more information from CMS.

**January 31, 2023 update:** The state continues to meet with CMS regularly to discuss the amendments for this benefit.

## Budget Cap Adjustments for Elderly Waiver and Alternative Care

The Elderly Waiver (EW) and Alternative Care (AC) programs have monthly case mix budget caps. This proposal increases budget caps each January, expanding access to more services for people receiving services through the EW and AC programs.

**February 1, 2022 update:** The budget cap adjustments were fully implemented on January 1, 2022, providing participants with access to higher monthly budgets for HCBS.

**July 18, 2022 update:** The budget cap increases implemented on January 1, 2022 are ongoing.

**January 31, 2023 update:** The January 1, 2022 increases remain in effect. An additional, annual adjustment was implemented effective January 1, 2023.

## Enhanced Rates in PCA/CFSS and Temporary Paid Parents and Spouses

This investment modifies the threshold for enhanced payment rates for PCA services program and extends the state's temporary authority to permit legally responsible persons to provide PCA services. Direct care workers are currently eligible for enhanced rates when providing services to beneficiaries needing 12 or more hours per day of PCA services. This proposal reduces the hourly threshold for enhanced rates to 10 or more hours per day. This proposal also extends the state's authority for temporarily permitting legally responsible persons to be paid for providing PCA services under our state plan until the expiration of the federal public health emergency.

**February 1, 2022 update:** Direct care workers serving beneficiaries needing 10 or more hours of services per day receive the enhanced payment beginning with the first PCA assessment conducted after January 1, 2022. The state continues to pay legally responsible parties providing PCA services under the state plan pursuant to its section 1135 waiver.

**July 18, 2022 update:** The enhanced payment rate implemented beginning January 1, 2022 is ongoing. The state continues to pay legally responsible parties providing PCA services under the state plan pursuant to its section 1135 waiver.

**January 31, 2023 update:** The enhanced rate implemented January 1, 2022 is ongoing. The allowance for



parents of minors and spouses to be paid as caregivers under the state's 1905(a) PCA benefit expires when the federal PHE ends.

## Implementation of Integrated Community Supports (ICS)

Integrated Community Supports (ICS) are services available on the CADI and BI waivers that provide support and training to adults who residing in a provider-controlled setting (e.g., apartment in a multi-family housing building). This proposal expands the Integrated Community Supports service by making it available under the Developmental Disabilities (DD) and the Community Alternative Care (CAC) waivers.

**February 1, 2022 update:** On January 20, 2022, the Department published for public comment the CAC waiver amendment and the renewal of DD waiver that included the addition of ICS. These documents will be submitted to CMS for approval following the public comment period.

**July 18, 2022 update:** CMS approved the CAC waiver amendment and the renewal of the DD waiver that included the addition of ICS in March 2022. This service will be added beginning January 2023.

**January 31, 2023 update:** This initiative was effective January 1, 2023 and is ongoing.

## Supporting People Receiving HCBS to Live in Their Own Homes

### Housing Stabilization Services, Community Living Infrastructure, and Housing Transitional Costs

This proposal strengthens access to housing stabilization services under our Medical Assistance (MA) program through the following:

- effective January 1, 2022, a temporary MA benefit will be added to fund transitional costs (deposits, furnishings, etc.) for people receiving housing stabilization services under our state plan who do not have other funding sources for these costs;
- state grant funding through the Community Living Infrastructure (CLI) grant program will be provided to counties and tribal nations to integrate housing into their human services work and assist people with disabilities who are homeless or have housing instability to obtain and maintain housing;
- additional CLI funding will be provided for expungement assistance to help people overcome barriers to attain their own housing; and
- administrative funding for the state to support the housing stabilization services provided under MA and the infrastructure related to assessing housing instability for people receiving HCBS.

These investments are available through the HCBS FMAP improvement period.

**October 18, 2021 update:** Funding for these activities will not pay for capital investment costs or provide payment for room and board.

**February 1, 2022 update:** The state may now implement this activity pursuant to CMS' conditional approval letter of January 24, 2022.

**July 18, 2022 update:** The state plan amendment related to Housing Stabilization Services moving expenses (transitional costs) is out for public comment with the goal of getting CMS approval and launching this new benefit by October 2022. In May 2022, DHS allocated over \$8 million across 19 grantees via a competitive RFP

for FMAP dollars available through the CLI program. With the remaining HCBS FMAP dollars, we will be re-opening the RFP and offering a longer application period to support increased requests or new applications from non-participating agencies.

**January 31, 2023 update:** Minnesota continues to work with CMS to implement Housing Transitional Costs. A State Plan Amendment was resubmitted on November 4, 2022.

Minnesota seeks to clarify the eligible populations and settings for the HCBS FMAP-funded CLI grant program.

### Eligible Services

Minnesota's HCBS spending plan includes funding for the state's Community Living Infrastructure (CLI) grant, which is designed to help counties, tribes, and community based organizations develop infrastructure supporting the housing needs of people with disabilities who have low-income. The allowable activities under the traditional grant program includes administrative activities such as outreach, hiring additional housing resource specialists, and administering the Housing Support program, a state-funded income supplement program. In its current implementation, CLI grantees have the opportunity to apply for grant administration funding for all levels of service to support program management expenses. The additional FMAP temporarily expanded allowable grant activities to include direct assistance, or one-time community transition costs, to people with disabling conditions experiencing homelessness and housing instability, and expungement assistance to help people overcome barriers to attain their own housing. 9817 funding will not be used to pay for room and board.

### Population

The HCBS FMAP-funded CLI grant supports people with both disabling conditions and low income who either receive, or could benefit from, Medicaid or Medicaid HCBS. Data shows that 99% of the population receiving direct support through the Housing Support program are eligible for Medicaid, and nearly 60% of recipients receive Medicaid HCBS. Recipients must be experiencing housing instability or homelessness, including transitioning from a segregated setting, such as an IMD or institution. Many of the people served through the CLI grant would benefit from Medicaid HCBS, particularly those identified in [Appendix B](#). The CLI grant serves people with disabling conditions, including behavioral health conditions, who have low-income and experience housing instability and/or want to transition from a segregated setting. For those eligible for Medicaid and Medicaid HCBS, this grant funding helps connect people to needed community living supports in order to prevent institutionalization, such as Housing Stabilization Services under the 1915(i), HCBS services under the state's 1915(c) waivers or 1915(g) targeted case management.

### Settings

CLI funds are used to help people move out of segregated settings, including homelessness into housing. Some people may be supported to transition into a congregate, non-institutional setting that is not HCBS-compliant. For instance, many people transitioning out of institutions or homelessness in Minnesota may first reside in a board and lodge. Board and lodge settings do not include institutions or settings that meet the definition of an Institution for Mental Diseases (IMD) under section 1905(i) of the Social Security Act. These facilities may have services attached, and a person could receive Medicaid services from a different provider while living in this setting type. Room and board is paid for by the state through Housing Support, not Medicaid. Board and lodges generally are not HCBS-compliant because people are not afforded leases. However, these settings are typically used as a transition point from which a person can safely access a greater continuum of housing and services, including more independent housing and Medicaid and/or Medicaid HCBS, if eligible.

Administration of Housing Support

As noted above, the CLI grant also pays for administrative costs including staff salaries, staff training, and work-related travel costs for county and tribal human services agencies to administer the Housing Support Program. Housing Support is a fully state-funded income supplement that provides room and board for people with low-income who have disabling conditions and/or people aged over 65. People discharging from a residential behavioral health treatment program with housing instability may also be eligible for three months of Housing Support. Participation in Medicaid is not a requirement to receive Housing Support. In addition to room and board, Housing Support also provides services (in some situations).

Administration of the Housing Support Program typically pays for county and tribal planners to increase housing availability for people served by the program. County and tribal planners are often involved in housing coordination activities, community planning, and capacity building discussions with other disability and housing providers to fill gaps identified via community planning, assessment, and data analysis as outlined in [Appendix D](#). Often, Housing Support planners are at the table to brainstorm new solutions to increase housing access and availability for people with disabling conditions, people with low income, and people experiencing homelessness. Housing Support planners will only aid in the identification and placement of individuals into settings that are not institutions or facilities meeting the definition of an IMD. The state does not provide administrative funding outside of the CLI grant to support this type of infrastructure building and maintenance process within the Housing Support Program. As a result, some areas of Minnesota are under-funded in terms of resources needed to meet the housing needs of people with disabling conditions that seek community living options. All funds under the state-funded program are awarded. The FMAP allocation is an addition to existing state funds, and will be used to increase and/or improve upon infrastructure and services. The FMAP funding will not be used to supplant existing state infrastructure and services.

**Additional CLI funding will be provided for expungement assistance to help people overcome barriers to attain their own housing.**

Minnesota seeks to expand the assistance available to people with disabling conditions served by the CLI program to include the following one-time community transition costs as identified in [Appendix C](#):

- One-time ~~lease, rent, or~~ security deposits. This funding will not be used to pay for room and board, or rental arrears.
- Utility set-up or activation costs. This funding will not be used to pay for utility arrears.
- Essential furnishings and supplies as one-time setup costs.
- One-time expenditures for goods and services that enable people to transition into housing, including the following:
  - Transportation costs
  - Storage unit fees
  - Food preparation items
  - Bed/bath linens
  - Pest eradication and other services necessary for the individual's health and safety such as one-time cleaning prior to occupancy
  - Home accessibility adaptations
  - Housing application and processing fees
- One-time assistance for people at imminent risk for homelessness in order for them to maintain housing (funds will not be used to pay for room and board or rental arrears), including the following:
  - Transportation costs
  - Pest eradication and other services necessary for the individual's health and safety such as one-

- time cleaning prior to occupancy
- Home accessibility adaptations

As noted above, some people supported through the CLI grant may first transition from a segregated setting (including homelessness) to a congregate, non-institutional setting. Typically, a person does not have to pay for one-time transition costs to move into a congregate, non-institutional setting. However, CLI FMAP funds would be used to support a person moving from an institution or other congregate living arrangement into community-based living arrangements where the person is directly responsible for their own living expenses (often with income supports or housing subsidies to support their ongoing housing costs) with one-time community transition costs.

Expungement assistance consists of requesting that a judge seal a criminal court record that is a barrier to obtaining housing. Expungement assistance includes both the fee to file for an expungement and any related legal fees incurred as a result. Legal fees include the following:

1. any court filing fees required during the expungement process, and
2. attorney fees that are directly related to expunging a previous conviction related to a criminal or civil matter that is a barrier to housing.

## Support for People Move from Provider-Controlled Settings

This initiative funds activities to assist people to move from facilities or provider-controlled settings to a home of their own. This proposal will help people to exit Anoka-Metro Regional Treatment Center (AMRTC), community mental health psychiatric units, and Community Behavioral Health Hospitals for people who are on the Forensic Mental Health Program (FMHP) or AMRTC waiting lists. It will also assist people receiving disability waiver services who are living in provider-controlled settings (e.g., corporate foster care and customized living) to move to a home of their own.

**October 18, 2021 update:** This activity excludes payment for room and board.

**February 1, 2022 update:** The state may now implement this activity pursuant to CMS' conditional approval letter of January 24, 2022.

**July 18, 2022 update:** The Transition to Community Initiative program began the expansion of services through RADIUS Health Whatever It Takes (WIT) team in July 2022.

**January 31, 2023 update:** The Transition to Community Initiative program has continued to provide services. An RFP is in process to expand the program. The expansion is anticipated to begin July 2023 with a goal to appeal to agencies who are culturally specific and can manage forensic caseloads.

## Mobile Psychiatric Residential Treatment Facilities (PRTFs) and Child and Adolescent Behavioral Health Services (CABHS) Transition Unit

This proposal creates a Mobile Person-Centered Unit to facilitate effective transition of children from Psychiatric Residential Treatment Families (PRTFs) and Child & Adolescent Behavioral Health Services (CABHS). The Department of Human Services will contract with providers to create the transition unit with the following broad functions:

- Family empowerment and participation in transition planning through Family Peer Specialists

- Transition case managers to work with youth's treatment team and other members of the support network to facilitate development of an outcome-oriented transition plan
- Vocations skills coordinator: focus on hands-on learning while offering opportunity and exposure to a variety of skills within a career-focused environment
- Basic needs coordinator: Connect families with housing, food, and health care

**October 18, 2021 update:** These activities are not limited to services listed in Appendix B of the SMDL. These activities assist children transitioning from PRTFs and a state-funded children's hospital providing behavioral health services to children. This transition service will help facilitate timely discharges back to the community, assist in identifying appropriate step-down treatment options, and mitigate the risks of future out of home placements for untreated behavioral health issues. This activity excludes room and board.

Enhanced discharge planning activities may be provided in facilities providing psychiatric treatment for children. These services help ensure that the child has adequate supports in the community upon discharge from the facility.

**February 1, 2022 update:** The state may now implement this activity pursuant to CMS' conditional approval letter of January 24, 2022.

**July 22, 2022 update:** The Request for Proposal was published and closed. The state is reviewing responses.

**January 31, 2023 update:** Contracts are in process for organizations to provide mobile transition services.

## Expanding Respite and Caregiver Capacity

This proposal increases access to respite care and caregiver supports to help enable older adults to maintain independence in their own homes. Strategies included are as follows:

- grants to respite providers to assist with maintaining and increasing capacity to provide respite care; and
- development of system reform solutions that enhance the system of services available to older adults and their caregivers in Minnesota.

This proposal also includes funding for "Own Your Own Future" research on the use and cost of Medicaid spending on long-term services and supports and the impacts of policy interventions.

**February 1, 2022 update:** The state is hiring staff this month to launch the research portion of the project. The state expects to launch the RFP in the coming months.

**July 18, 2022 update:** Final responses to the research RFP are under review and the state expects to select a vendor by August 2022. Two staff have recently been hired to administrate the respite provider grant program. The RFP will be developed upon their start date.

**January 31, 2023 update:** The state executed a contract with a vendor in September 2022 to begin the research. The report is being drafted and the final report is due to the state in March 2023. The RFP for the provider grant program is in process.

## Technology for People Receiving HCBS Services

This proposal provides one-time funding for technology support for people living in their own homes to enhance

access to HCBS services and strengthen a person's ability to live independently and stay connected to the community. This proposal would provide grant funding for technology support to people who are homebound, have low incomes and also lack access to technology resources. Older adults and people with disabilities typically suffered from social isolation prior to the pandemic and it has only worsened as a result. This proposal would pay for technology support for 1,000+ homebound older adults who experience social isolation due to a lack of family/community support, mobility or cognitive limitations and/or because they live in a deep rural area.

**October 18, 2021 update:** These grants could cover technology assistance, including but not limited to internet services, to older adults and people with disabilities receiving HCBS services in order to access remote service delivery and/or telehealth. Other activities may include telecommunication start-up costs, such as equipment, internet connectivity activation costs, and training for the person receiving the equipment. These grants will strengthen, enhance and potentially expand the number of people able to access HCBS services during and after the pandemic.

This program also invests in the infrastructure needed to improve access to remote and telehealth services and to facilitate incorporation of HCBS into interoperable electronic health records (EHRs). Investing in HCBS participants' access to technology will address functional needs, promote independence, and support community integration.

**February 1, 2022 update:** The state may now implement this activity pursuant to CMS' conditional approval letter of January 24, 2022.

**July 18, 2022 update:** An RFP was published and released in May and responses are under final review. The state expects to award up to eight separate grants.

**January 31, 2023 update:** The state finalized contracts with 12 organizations to provide technology access to HCBS Medical Assistance (MA) recipients.

## Centers for Independent Living HCBS Access Grant

This investment provides funding to Centers for Independent Living (CILs) to support people with disabilities to live in their own homes and communities by providing accessibility modifications, independent living services, and by facilitating access to public health programs, food support, housing support, and other Medical Assistance home and community-based services.

**October 18, 2021 update:** Funding for this activity will not include payment for room and board.

**February 1, 2022 update:** The state may now implement this activity pursuant to CMS' conditional approval letter of January 24, 2022.

**July 18, 2022 update:** Contracts have been fully executed for participating Centers for Independent Living (CILs).

**January 31, 2023 update:** Five participating Centers for Independent Living continue to deliver services.

## Joint Initiative—Department of Human Services and Department of Corrections

The Joint Departmental Pilot Initiative is a collaboration between the Minnesota Department of Corrections and

the Minnesota Department of Human Services to better assist people re-entering the community after release from a correctional facility. Recent data suggest that 76 percent of the people served by the program had a recent diagnosis related to drug and or alcohol dependence, and 70 percent had a mental health diagnosis. This proposal provides funding to work with individuals exiting a Minnesota correctional facility who are identified to be at high risk of recidivism to help ensure that they have access to healthcare and other home and community-based services that reduce the risk of recidivism.

**October 18, 2021 update:** These activities are not focused directly on services listed in Appendix B of the State Medicaid Director's Letter (SMDL) of May 13, 2021. Individuals with behavioral health needs are overrepresented in jails and prisons, and people leaving correctional facilities have a very risk of recidivism. This initiative includes funding for staff with the Minnesota Department of Corrections and the Minnesota Department of Human Services to identify offenders at a high risk of recidivism and assess eligibility for Medicaid prior to release and provide ongoing case management to ensure access to needed HCBS service and supports.

**February 1, 2022 update:** The state may now implement this activity pursuant to CMS' conditional approval letter of January 24, 2022.

**July 18, 2022 update:** Two new staff were hired in June 2022 to expand the Bridging Benefits (joint initiative) program.

**January 31, 2023 update:** Minnesota DHS continues to work with the Department of Corrections on the referral process and increasing requests for the initiative.

## Reforms to Expand, Enhance, and Strengthen the Medicaid HCBS Service System

### Moving to Independence--Phase Out Use of Subminimum Wage

This proposal provides funding for a task force on eliminating subminimum wages by providers of prevocational and employment services under Minnesota's 1915 (c) waivers and establishes grants to providers to support business planning and other activities to phase out subminimum wage work for people with disabilities and establishes a task force to make recommendations for statewide phase-out of subminimum wages paid by disability service providers. Grants will support the following:

- Disability service providers to enable them to shift their business model to one that supports people with disabilities to work in competitive, integrated employment;
- organizations to facilitate peer-to-peer mentoring for people with disabilities who have successfully transitioned to earning competitive wages;
- organizations to facilitate provider to provider mentoring to promote shifting away from paying employees with disabilities a subminimum wage; and,
- organizations to conduct family outreach and education on working with people with disabilities who are transitioning from subminimum wages to competitive employment.

**February 1, 2022 update:** A Request for Proposals (RFP) for service providers in Minnesota who want to participate in the grant and transition business models away from the use of subminimum wages was

published on January 10, 2022 with initial letters of interest from providers due January 31, 2022. Minnesota is currently reviewing proposals from technical assistance (TA) firms to select an organization that will support providers in their transition. A grant opportunity for provider organizations supporting competitive employment to expand their employment infrastructure is also in development. Additionally, the Task Force on Eliminating Subminimum Wages has been created and all members have been appointed. The First meeting of the task force will be on February 8, 2022.

**July 18, 2022 update:** The state has contracted with the University of Minnesota to provide technical assistance to service providers transitioning business models away from the use of subminimum wages. The Task Force has held five public engagement meetings since May 2022. Eight waiver employment providers have signed contracts to receive funding and technical assistance to change their business models and have committed to ending their 14c certificates by 2025. An additional fourteen contracts are in process to expand statewide provider capacity to support people in competitive employment.

**January 31, 2023 update:** The technical assistance contractor has conducted site visits to grantees and "Transition to Competitive Wages" grantees are in the process of developing business plans.

## Waiver Reimagine

This proposal transforms the state's § 1915(c) disability waiver system to promote equitable distribution of resources, program sustainability, and increased choice for Minnesotans with disabilities who use waiver services. Minnesota will consolidate its four disability waivers into two and implement an individual budgeting model. This proposal includes costs for informed choice training, stakeholder engagement, and systems and administrative work needed to complete the reform, with a projected date of waiver consolidation and budget model implementation on 01/01/2026.

**October 18, 2021 update:** Waiver Reimagine is the name of ongoing work DHS is doing to make system-level improvements to Minnesota's four disability waiver programs. Over the years, we have heard from people and families that Minnesota's disability waiver programs are complex and difficult to understand. In response, we are working to make the disability waiver system easier to understand and use. Waiver Reimagine will enhance, strengthen and streamline. Minnesota's disability waiver system so people and families can focus on the life they want to live in the community.

Waiver Reimagine responds to these concerns that Minnesota's disability waiver programs are complex and difficult to understand by:

- Making the disability waiver system easier for people to understand and use
- Empowering the person with more control over their services
- Providing equity across waiver programs and people

The Waiver Reimagine project will:

- Enhance information about services and budgets to give people more choice and control over planning services and supports
- Provide equitable access to services and funding across waiver programs regardless of disability and in which county or tribal nation a person lives
- Increase options to self-direct services, use technology and remote supports as alternative support options
- Align services and support to a person's chosen living arrangement and not their diagnosis



- Help people access the most appropriate services and supports
- Make it easier for people and families to describe the services they want

Waiver Reimagine works in concert with many other efforts to promote a statewide system that leads to increased person-centered outcomes, the ability for people to live their best lives, on their own terms, and support meaningful participation in community life.

The two waivers created through Waiver Reimagine will maintain and utilize the eligibility standards, methodologies and procedures present within Minnesota's four existing HCBS disability waivers.

The Waiver Reimagine activity to consolidate Minnesota's four disability waivers into two waivers follows the Federal guidance in the Application for a § 1915(c) Home and Community-Based Waiver: Instructions, Technical Guide, and Review Criteria at pp. 76-78 which communicates that a state may select multiple target groups and multiple LOCs within one HCBS waiver:

"The revisions to §441.301(b)(6) allows states, but not require them, to combine target groups. Under this rule, states must still determine that without the waiver, participants will require institutional level of care, in accordance with section 1915(c) of the Act ..."

Waiver Reimagine does not change or impact the amount, duration or scope of services. The two waivers created through Waiver Reimagine will include the same set of existing services available within Minnesota's four existing HCBS disability waivers.

The proposed budget methodology does not dictate changes to the payment rates for services or services available. Spending changes may occur due to person-centered support planning practices as all waiver spending is subject to under the current programs.

**February 1, 2022 update:** The state may now implement this activity pursuant to CMS' conditional approval letter of January 24, 2022.

**July 18, 2022 update:** DHS has held three meetings of the Waiver Reimagine Advisory Committee, which was established by the Legislature to guide implementation of Waiver Reimagine.

**January 31, 2023 update:** The state continues to meet with internal and external stakeholders as it works towards effective implementation by January 2026.

## Individual Portal Investment

A key component of Waiver Reimagine, this proposal provides one-time funding to build a portal to enable a person to access their own assessment, service plan, and budget information online. These additional funds will strengthen a person's access to information needed to direct their own service plan. Implementing these features would add value for the 115,390 Minnesotans who receive publicly funded Long-term Services and Supports (LTSS), in addition to increased efficiencies and usability for counties. LTSS users are older adults and people with disabilities, populations that have been disproportionately impacted by COVID-19

**February 1, 2022 update:** The state has completed internal research and documentation to determine interactions with existing systems as well as an estimation of effort and resources needed to support the

building of the portal.

The State has held multiple discovery meetings with all policy areas for IT and business analyst staff to learn about the programs and the people who use the programs the portal will serve. The state is also working to document the interactions between all the programs within the portal and the interconnections between the various systems each program uses.

Additionally, the state has been adding and editing the current business requirements documentation to include all policy area's specific needs. Each requirement has been reviewed with each policy area to determine if it applies, if edits or additions are needed, or if a new requirement is required.

**July 18, 2022 update:** The state continues to evaluate individual portal requirements against state legal and accessibility standards. The state has not yet identified a technical solution for the portal.

**January 31, 2023 update:** The state is reviewing business requirements, system requirements and solutions for the initiative.

## Parenting with a Disability

This proposal provides administrative funding to establish recommendations to add parenting duties as part of personal care assistant services for people with disabilities that are parents. It also provides initial program funds to implement the future MA benefit or state-funded grant program.

**February 1, 2022 update:** The state is drafting an RFP to develop a recommendation to modify the personal care benefit that complies with federal Medicaid rules and expects to begin work in the spring of 2022.

**July 18, 2022 update:** A contract was executed in February 2022 to conduct the study. The study is expected to last through June 30, 2023.

**January 31, 2023 update:** The state expects to publish the legislative report by spring 2023.

## MA Outpatient and Behavioral Health Services Rates Study

**October 18, 2021 update:** This initiative includes administrative funding for a vendor contract to analyze the current rate setting methodology for outpatient services under Medical Assistance and make recommendations on ways to ensure sustainability of existing outpatient services, promote integration of and parity between behavioral health and physical health, and address work force shortage issues related to Medicaid providers to promote improved access to services.

This activity is not limited to services listed in Appendix B of the SDML because the outpatient rates primarily employ the Resource-Based Relative Value System (RBRVS) which encompass behavioral health and physical health services. RBRVS was implemented by Minnesota for its Medical Assistance program in 2010 but updates have not included inflation or other factors impacting costs and access so rates have eroded over time and a variety of piecemeal rate add-ons have resulted in an uneven rate structure that lacks transparency. Providers, including behavioral health providers and other providers of rehabilitative and home care services, have recommended a review of outpatient rates. The RBRVS is intrinsically agnostic to the type of provider who renders the service and resources required to deliver services are based on a relativity of one service to another. As a result, the entire RBRVS system must be part of any

review in order to maintain the integrity of the underlying system and reasonableness and parity of resulting recommended rates.

A comprehensive review of provider payment methods supports the integration of behavioral and physical health services, recognizing that treatments for mental health conditions, substance use disorders, as well as developmental conditions that impact physical and behavioral health are managed in integrated settings by integrated care teams. Payment systems must reflect and support that integration to ensure holistic care that is more readily accessible within an enrollee's community including access to services in their homes and schools.

**February 1, 2022 update:** The state may now implement this activity pursuant to CMS' conditional approval letter of January 24, 2022 and will provide updates in subsequent reports.

**July 18, 2022 update:** The Request for Proposal was published and closed. The state is reviewing responses.

**January 31, 2023 update:** A vendor has been chosen to analyze the current rate setting methodology for outpatient services under Medical Assistance and to make recommendations.

## Research on Access to Long-Term Care Services and Financing

This proposal provides administrative funding for an actuarial research study of public and private financing options for long-term services and supports to increase access to HCBS across the state.

**October 18, 2021 update:** This research will analyze access and use of services for older adults listed in Appendix B of the SMDL, but it will also look at alternative models for supporting older adults in their homes and communities. It will be used to develop new models that can strengthen HCBS provided through Medicaid or delay the need for Medicaid-funded HCBS. This research will inform long-term strategies to enhance and ensure the sustainability of HCBS for older adults under Medicaid. These activities will use state equivalent funds. Minnesota will apply typical standards for claiming FFP administrative activities.

**February 1, 2022 update:** The state may now implement this activity pursuant to CMS' conditional approval letter of January 24, 2022 and will provide updates in subsequent reports.

**July 18, 2022 update:** The state has contracted with a subject matter expert to lead this work. An additional RFP is in development for a research entity to conduct the actuarial study.

**January 31, 2023 update:** The RFP is in process and expected to be released in February 2023.

## Case Management Redesign

This proposal supports activities necessary to establish a statewide rate methodology and service redesign for case management services under sections 1905 (a)(19) and 1915(g) of the Social Security Act. This investment also supports the development of a tribal-specific targeted case management benefit.

**October 18, 2021 update:** The work planned under this activity does not contemplate any reduction in the amount, duration, or scope of HCBS services in effect as of April 1, 2021. The "Case Management

Redesign” activity will not reduce HCBS provider payments from those in place as of April 1, 2021 unless reductions result from paying uniform rates for Targeted Case Management as required by CMS. Specifically, the “Case Management Redesign” activity includes program integrity work related to payments for Targeted Case Management services provided by county-contracted vendors and provided by counties directly. For county-contracted vendors, this includes replacing the current state of county negotiated rates with a uniform, statewide rate methodology that meets federal payment requirements; some county- contracted vendors will experience payment reductions and others will experience payment increases. For county providers, this includes planned program integrity work to ensure the accuracy of the certified public expenditures; while there is potential for reduced payments because of this work, under a cost-based rate methodology we cannot pay the county more than cost.

**February 1, 2022 update:** The state may now implement this activity pursuant to CMS’ conditional approval letter of January 24, 2022 and will provide updates in subsequent reports.

**July 18, 2022 update:** The state is selecting a vendor to analyze federally compliant payment methodologies for case management services, develop reporting measures, and develop training on case management services. This work is expected to be complete by June 30, 2023.

**January 31, 2023 update:** The state is working with a vendor and counties to define a federally compliant payment methodology for targeted case management services.

## Mental Health Uniform Service Standards

Regulatory structure and service standards for Minnesota’s mental health care system are complex, confusing and outdated, hampering the state’s ability to regulate services effectively and support providers in delivering high-quality care. This initiative supports the development of common service standards. This work will reduce administrative burdens, refocus the standards on supporting quality and equitable services, and establish a unified licensing framework.

**October 18, 2021 update:** The “Mental Health Uniform Service Standards” activity is a broad reform of the regulatory structure and service standards for Minnesota’s community-based mental health care system. The reform: aligns common standards to reduce administrative burden; refocuses the standards on supporting quality, person-centered, and equitable services for recipients; and establishes a unified licensing framework to build accountability.

This activity is significantly focused on the community-based mental health services that are listed in Appendix B of the SMDL or that could be listed in Appendix B. Specifically, these services are either covered under the rehabilitative services benefit or are covered under another benefit but could be covered under the rehabilitative services benefit or the 1915(i) benefit. Because there is no way to do this sort of broad reform in isolation, this activity will also affect services that are not listed in Appendix B of the SMDL or that could be listed in Appendix B. Regardless, simplification of and uniformity in the regulations for the entire community-based mental health care system in Minnesota strengthens the HCBS system and reduces administrative burden that contributes to turnover for staff in the HCBS workforce.

**February 1, 2022 update:** The state may now implement this activity pursuant to CMS’ conditional approval letter of January 24, 2022 and will provide updates in subsequent reports.

**July 18, 2022 update:** The state is in the process of updating the Minnesota Health Care Programs Provider

Manual pages for services impacted by changes in Uniform Service Standards and finalizing Frequently Asked Questions documents created from webinars held with providers. Biweekly meetings are being held to coordinate implementation and the screening committee is in the process of identifying additional level of care tools to utilize.

**January 31, 2023 update:** Uniform service standards went into effect October 31, 2022.

## Legislative Task Force on Background Study Standardization

This proposal establishes a task force to review background study disqualifications in order to evaluate their effectiveness, strengths and weaknesses, unintended consequences, and other areas for improvement. This proposal seeks to improve the state's background studies requirements to ensure there are adequate protections for people receiving HCBS while also addressing workforce shortage challenges and disproportionate impacts.

**February 1, 2022 update:** The 26 member task force and its three subcommittees, focusing on background studies data, disqualifications, and remedies, has been created and meeting regularly since October, 2021. The task force is required to submit an interim report to the Minnesota Legislature on March 1, 2022, and a final report to the legislature by December 16, 2022. The state is providing quantitative data sets from NETStudy 2.0, presentations on background study processes, and have provided related handouts as requested by the full membership of the task force and its subcommittees.

**July 18, 2022 update:** The Human Services Background Study Eligibility Task Force continues to meet regularly, and has added one new member and one additional subcommittee which focuses on data analysis. All subcommittees are working towards completing their work in September, after which the full group will focus on completing the final report due December 16, 2022. The state continues to provide quantitative data sets from NETStudy 2.0 and related handouts as requested by the full membership of the task force and its subcommittees.

**January 31, 2023 update:** The task force published the final report on December 16, 2022.

## Administrative Funding for HCBS FMAP Package

This proposal provides administrative funding necessary to create the state's initial HCBS FMAP spending plan, support procurement activities and the development of Medicaid authorities, provide financial management and oversight, and coordinate quarterly reporting to CMS including changes to the state's spending plans.

**February 1, 2022 update:** The state is issuing an RFP to provide overall project management and administrative support to the HCBS spending plan and individual initiatives under the plan.

**July 18, 2022 update:** A vendor was selected and the contract was executed in June 2022.

**January 31, 2023 update:** The vendor continues to support project management and quarterly reporting on the spending plan.

## Regulatory Requirements for SUD Providers

This proposal funds studies examining regulatory requirements for SUD treatment providers and oversight of

sober housing programs.

**October 18, 2021 update:** The studies will include recommendations for (1) system improvements to minimize regulatory paperwork so providers can focus more time on direct services and (2) for ensuring continuity of care, successful community transitions, and the provision of high quality services in community-based housing for people in substance use disorder treatment and for people using related services and supports. This provision focuses on Minnesota substance use disorder treatment services authorized under the rehabilitative services benefit section at 1905(a)(13) of the Social Security Act, ensuring people have access to safe and high quality community-based services.

**February 1, 2022 update:** The state may now implement this activity pursuant to CMS' conditional approval letter of January 24, 2022 and will provide updates in subsequent reports.

**July 18, 2022 update:** The state is expecting recommendations from the Sober Homes Study by mid-July. Stakeholder engagement has been completed for Substance Use Disorder Provider Reduction in Regulatory Requirements. A Request for Proposal is in development for DHS to contract with a vendor to develop statewide system changes at the payer and provider levels.

**January 31, 2023 update:** The RFP was published on October 31, 2022 and responses are under review.

## Report on Safety Net Services

This proposal provides administrative funding to conduct an analysis of state-operated home and community-based services and assess the state's overall needs going forward for safety net services.

**October 18, 2021 update:** This includes work with a vendor to assess state-operated direct care and treatment services to identify the extent to which the services function as safety net services and to make recommendations on specific issues. Services include crisis and caregiver respite, crisis stabilization, community residential short and long term stay options.

**February 1, 2022 update:** The state may now implement this activity pursuant to CMS' conditional approval letter of January 24, 2022 and will provide updates in subsequent reports.

**July 12, 2022 update:** The state expects to publish an RFP in August to select a vendor to conduct this study.

**January 31, 2023 update:** This contract is in the approval process.

## Task Force on Culturally Informed and Culturally Responsive Mental Health

This proposal establishes a task force to evaluate and make recommendations on improving the provision of culturally informed and culturally responsive mental health services throughout Minnesota.

**February 1, 2022 update:** The task force has been posted for nominations and a selection process will begin once the nomination process is complete.

**July 18, 2022 update:** The task force has been appointed and the first meeting will take place no later than August 15, 2022. The state is in the process of contracting with a vendor to facilitate the meetings of the task force.

**January 31, 2023 update:** The task force held two meetings and the state executed a contract with a vendor to facilitate the meetings of the task force.

### PCA Services in Acute Care Hospitals

This proposal provides administrative funding to conduct a study and develop recommendations to add personal care assistant services provided in acute care hospitals to the state plan benefit.

**February 1, 2022 update:** The state is drafting an RFP to develop a recommendation to modify the personal care benefit that complies with federal Medicaid rules and expects to begin work in the spring of 2022.

**July 18, 2022 update:** The state has contracted with a vendor and is conducting this study.

**January 31, 2023 update:** The state has consulted with stakeholders and drafted recommendations for new or modified services.

### Reducing Reliance on Congregate Care Settings for Children

This proposal provides administrative funding to conduct an analysis of the utilization and efficacy of current treatment options for children under Minnesota's Medicaid program and identify systemic obstacles in transitioning children into the community and community-based treatment. This analysis will help identify crucial points during a child's care where the system missed the opportunity to transition the child to a family-focused, community care model from a congregate setting. Given the advent of Family First Prevention Act, this analysis will aid in setting quality of care standards (beyond licensing) for children's residential facilities.

**February 1, 2022 update:** The state conducted a needs assessment through hosting the Minnesota Children's Summit, January 11<sup>th</sup>- 14<sup>th</sup>, 2022, an intensive statewide conference geared on children's behavioral health in Minnesota. The state is currently working on developing a research design of the study questions based on information gathered in the summit.

**July 18, 2022 update:** Request for proposals are in legal review and the state expects to have them published by the end of July.

**January 31, 2023 update:** Two RFPs were issued for separate, but related, phases of the study. No responses were received. As a result, the state is working on alternate approaches to the work.

### Continuity of Care for Students with Behavioral Health and Disability Support Needs

This proposal provides administrative funding for collaboration between the Department of Human Services and the Department of Education to identify strategies to streamline access and reimbursement for children with an individualized education plan who are enrolled in MA.

**February 1, 2022 update:** In collaboration with the Minnesota Department of Education, the state has completed a draft report on reimbursement for students with behavioral health and disability support needs. The state will be facilitating stakeholder engagement for strategies as well.

**July 18, 2022 update:** The state is selecting a vendor to facilitate ongoing interdepartmental work between the

Department of Human Services and Department of Education. The report has been submitted to the legislature. A contractor is currently conducting a state-wide survey with mental health providers and school professionals to ensure the viability of the recommendations to expand services for students. The state is also in the process of contracting with a vendor to explore untreated mental illness and achievement gap in Minnesota.

**January 31, 2023 update:** The report was distributed to state leadership.

## Supporting and Strengthening the Infrastructure for HCBS in Minnesota

### Supporting the Capacity of Providers Serving Rural and Underserved Communities

This proposal establishes a temporary grant program for small provider organizations serving underserved or rural communities with limited provider capacity available. Grants will assist in building organizational capacity to provide home and community-based services in Minnesota and to build new or expanded infrastructure to access Medical Assistance reimbursement. The goal of this proposal is to increase the number and capacity of providers, so that people who receive services have the opportunity to receive services from providers who may have shared histories, languages, cultures and norms. Potential grantees may be current service providers or new businesses seeking to deliver culturally-specific home and community-based services, behavioral health and housing supports to older adults and people with disabilities of any age enrolled in Medicaid. Rural and culturally-specific providers are being stretched and taxed by the realities of the pandemic, including their own experiences with pandemic.

**October 18, 2021 update.** This project will provide grants and technical assistance to providers rendering services listed in Appendix B of the SDML. These grants and technical assistance will help existing providers expand their service capacity and support new providers to enter the field. Building capacity of providers focused on serving rural and underserved communities will improve equitable access to HCBS under Medicaid.

**February 1, 2022 update:** The state may now implement this activity pursuant to CMS' conditional approval letter of January 24, 2022 and will provide updates in subsequent reports.

**July 18, 2022 update:** Eight contracts for community engagement with rural and underserved communities and American Indian Tribes have been executed. An RFP was launched for the first round of provider grants. Responses are under review and the state expects to award over 60 separate grants to providers serving rural and underserved communities.

**January 31, 2023 update:** All 82 grant contracts are fully executed. The second round RFP is being finalized. The state published an additional RFP for organizations to support grantees with technical assistance and a Community of Practice.

The state received 7 of 8 reports from contractors conducting community engagement with focus communities of the grant. The state is incorporating those findings into the second round RFP and looking for ways to share findings across DHS.

### Expanding Mobile Crisis Services

This proposal strengthens the state's mobile crisis infrastructure by providing one-time increases to support



counties and tribes to staff 24-hour mobile crisis lines and increase capacity to take more calls.

**February 1, 2022 update:** Funds have been encumbered and a federal budget template is being created by state fiscal staff to ensure the budget is in alignment with allowable uses of the new funding. Once the federal budget template is complete it will be sent to Counties and Tribes as part of a competitive application process to determine allocation amounts. The state plans to amend current contracts of crisis providers to add funding to their contracts.

**July 18, 2022 update:** The state is currently reviewing proposals from crisis providers who responded to the initial competitive application process. Allocations are expected to be determined and implemented during the summer of 2022. The state is also working on a second competitive application to utilize the remaining funding available.

**January 31, 2023 update:** Contract amendments are in the process for 29 of the 31 existing mobile crisis teams.

## HCBS Workforce Grants

This proposal provides funds in state fiscal years 2023 and 2024 to combat challenges the state encounters related to attracting and maintaining direct care workers in HCBS services. The state will work with stakeholders to identify strategies to apply the funds, with a final plan for use of the funds to be published by the Department by January 1, 2022. Possible uses of the funds could include stipends, sign-on bonuses, scholarships, achievement awards, etc.

**October 18, 2021 update:** These grants support providers delivering services under Minnesota's 1915(c) waivers attract and retain direct care workers who provide home and community-based services for people with disabilities and older adults.

**February 1, 2022 update:** The state may now implement this activity pursuant to CMS' conditional approval letter of January 24, 2022 and will provide updates in subsequent reports.

**July 18, 2022 update:** The state is reviewing responses to the first RFP. A second RFP will be published in late summer 2022.

**January 31, 2023 update:** Minnesota seeks to clarify that these grants will support workers delivering home and community based services under the Medicaid program. Eligibility is not limited to those delivering HCBS services under Minnesota's 1915(c) waivers.

Minnesota received feedback from over 3,000 people on how to use these funds to support the HCBS Workforce. The top three activities respondents recommended were grants to increase wages, benefits, and retention bonuses. Minnesota has contracted with a vendor to administer training stipends for workers. In addition, the state has contracted with a vendor to support the development of employee owned home and community-based service cooperatives. These cooperatives will be businesses that offer at least one home and community-based service and are owned and operated by their employees. The state has also published an RFP for a vendor to administer retention bonuses to workers and the responses are under review.

## Loan Forgiveness for Health Professionals

This activity provides funding to the Minnesota Health Care Loan Forgiveness programs administered by the Minnesota Department of Health to forgive education loans for licensed alcohol and drug counselors, mental health professionals, and other health care professionals providing HCBS services listed in Appendix B of the

SMDL. This proposal seeks to address critical workforce shortages, particularly among mental health and SUD services providers by retiring student debt for health care professionals that commit to serving Medicaid beneficiaries.

**February 1, 2022 update:** The state may now implement this activity pursuant to CMS' conditional approval letter of January 24, 2022 and will provide updates in subsequent reports.

**July 18, 2022 update:** Loan forgiveness awards have been made to 104 mental health providers and rural primary care physicians. The mental health providers included LADC, LPCC, LMFT, LICSW, Psychiatrists, Psychiatric nurse practitioners, and PsyD.

**January 31, 2023 update:** Loan forgiveness awards have been made to 130 mental health providers and rural primary care physicians. The mental health providers included LADC, LPCC, LMFT, LICSW, Psychiatrists, Psychiatric nurse practitioners, and PsyD.

## Grants for Culturally and Linguistically Appropriate Services (CLAS) Standards

This proposal provides grants to providers of disability, mental health, and substance use disorder services to implement CLAS standards to increase access to culturally and linguistically appropriate services for HCBS recipients.

**October 18, 2021 update:** These grants are intended to go to any disability services, mental health, and substance use disorder treatment providers listed in Appendix B of the SMDL for the purpose of increasing their ability to serve populations facing disparities in healthcare outcomes due cultural and or linguistic barriers.

**February 1, 2022 update:** The state may now implement this activity pursuant to CMS' conditional approval letter of January 24, 2022 and will provide updates in subsequent reports.

**July 18, 2022 update:** Bi-weekly CLAS Steering Committee meetings are taking place and the primary function of the committee is to develop the work plan and take ownership of the efforts in the implementation of CLAS standards. In June, the state hosted two webinar sessions for the community.

Currently, the state is drafting a Request for Proposal for cultural specific providers to enhance their CLAS efforts or the implementation of CLAS, which will be launched at the end of the summer 2022.

**January 31, 2023 update:** The CLAS Standards Technical Assistance and Grant Administration RFP's (2) closed December 5<sup>th</sup> and 6<sup>th</sup>. The state expects to select a vendor by February.

## Recovery Community Organization (RCO) Grants

This proposal provides grants to RCOs, independent organizations led and governed by representatives of local communities of recovery, to coordinate resources within and outside of the recovery community to increase the frequency and quality of long-term recovery from alcohol and drug addiction.

**October 18, 2021 update:** Funding for this activity does not focus directly on activities listed on Appendix B of the SMDL or providers directly delivering those services. However, certified peer recovery specialists

working for Recovery Community Organizations often act as brokers of resources in the community. In this role, there are unlimited opportunities to collaborate across systems to provide connections within school based services, by embedding certified peers provided by Recovery Community Organizations through grant initiatives. It also provides opportunities to partner with other services in similar ways where we see an increase in substance use and a lack of effective needs such as vocational rehab services and services within the aging community. The Recovery Community Organizations could benefit from the grant initiative by collaborating across other services such as these, as well as case management services, housing services, and crisis services to provide much needed peer recovery support.

**February 1, 2022 update:** The state may now implement this activity pursuant to CMS' conditional approval letter of January 24, 2022 and will provide updates in subsequent reports.

**July 18, 2022 update:** The state has completed the Request for Proposal process and is in the process of contract negotiations. The state expects to have a grantee selected by September 2022.

**January 31, 2023 update:** The state has one fully executed contract and 13 more in process. In addition, the state is in the process of amending the contract with its data and evaluation agency to work with the new grantees.

## Adult Mental Health Initiative

This proposal provides funding to groups of counties and tribes for regional collaboration to build community-based mental health service infrastructure that responds to the unique needs and circumstances of their community.

**October 18, 2021 update:** Adult Mental Health Initiatives (AMHI) provide Adult Case Management services and other mental health rehabilitative services to meet the needs of adults with mental illness in their communities.

AMHIs include state funding for MA eligible mental health services for adults with SPMI who are uninsured or under-insured as well as for mental health services that do not have a corresponding MA benefit for adults with SPMI regardless of MA status. Funding for this activity does not include capital investment costs. The goal of the funding is to reduce the need for more intensive, costly, or restrictive placements and provide services that are supportive in nature.

Services provided include the following:

- BRASS code services that have a corresponding MA eligible service
- BRASS code services that do NOT have a corresponding MA eligible service
- Adult outpatient Diagnostic Assessment / Psychological testing / explanation of findings
- Adult Mobile Crisis Services
- Adult residential crisis stabilization
- Assertive Community Treatment (ACT)
- Basic Living/Social Skills and Community Integration (Adult Rehabilitative Mental Health Services - ARMHS)
- Adult outpatient psychotherapy
- Adult outpatient medication management
- Adult day treatment
- Partial hospitalization

- Intensive Residential Treatment Services (IRTS)
- Adult Rule 79 Targeted Case Management (TCM)
- Community Education and Prevention
- Adult Client Outreach
- Transportation
- Client Flex Funds
- Peer support services
- Community Support Program Services
- Supported employment / individualized placement and support services
- Housing Subsidy
- Emergency response services
- Adult general case management

Based on needs in their communities, AMHIs may choose to utilize the HCBS funding to enhance HCBS services and strengthen the community partnership efforts of the regional AMHI by: hiring a dedicated AMHI Coordinator; renovating a facility that provides Community Support Program and/or other mental health rehabilitative services; purchasing technology to allow for continued use of telemedicine services in diverse communities; purchasing a vehicle for assisting individuals with accessing necessary rehabilitative services; or, training staff to better meet the needs of diverse communities.

**February 1, 2022 update:** The state may now implement this activity pursuant to CMS' conditional approval letter of January 24, 2022 and will provide updates in subsequent reports.

**July 18, 2022 update:** There was \$1.674 million appropriated for this program that could not be encumbered prior to June 30, 2022. Under state law, these funds expired and cannot be used in the future.

**January 31, 2023 update:** Applications were submitted and the state is reviewing and discussing with applicants.

## Age-Friendly Minnesota

This proposal funds up to 100 counties, tribal nations, and/or community organizations to become Age Friendly Communities, with an emphasis on the structures, services and community features necessary to support older residents and address the needs identified in one or more of the World Health Organization's domains for being age-friendly, including cross collaborative efforts related to:

- coordination of health and social services;
- transportation access;
- safe, affordable places to live;
- reduce social isolation and improve wellness;
- combating ageism and racism against older adults;
- accessibility;
- communication and information technology access; and
- opportunities to stay engaged and economically productive

**October 18, 2021 update:** Capital investment and internet activity costs are not included in this activity.

**February 1, 2022 update:** The state may now implement this activity pursuant to CMS' conditional approval letter of January 24, 2022 and will provide updates in subsequent reports.

**July 18, 2022 update:** The state has contracted with a vendor to collect stakeholder feedback to build into the RFP process to improve accessibility to community groups and incorporate Diversity, Equity, Inclusion, and Accessibility (DEIA) concepts. The contractor will also facilitate design meetings with the Age Friendly MN Council to develop potential policies and programs to mitigate/eliminate disparities.

**January 31, 2023 update:** The state implemented an RFP process and selected Technical Assistance Provider (TAP) grantees who will serve in the role of technical assistance (one-on-one and group) to the community grant applicants.

## Process-Mapping for Lead Agencies

This proposal funds a vendor to conduct business process mapping for lead agencies (counties and tribes) to identify ways to streamline and better serve people with disabilities in their county or tribal nation. Process mapping would examine the lead agency's processes beginning with the MA eligibility process and MnCHOICES assessment through support planning and service authorization. It will also include gathering feedback from people about their experiences with the lead agency in accessing HCBS on Medical Assistance. After assessing and working with the lead agency, the vendor will provide them with individualized recommendations to streamline workflows.

**February 1, 2022 update:** The state conducted internal engagement with subject matter experts to gather input for the Request for Proposal (RFP). The final draft of the RFP has been completed and submitted for internal legal review. The final draft of all positions descriptions associated with this work are complete and are with human resources for approval, audit and public posting.

**July 18, 2022 update:** The state has contracted with a vendor to conduct business process reviews with at least 15 lead agencies by June 30, 2023.

**January 31, 2023 update:** This initiative will include gathering feedback from people about their experiences with the lead agency in accessing HCBS on Medical Assistance to create a comprehensive guide in multiple languages for applicants and their families on the common steps of the Eligibility, Assessment, and Support Planning Process. The state obtained Internal Review Board (IRB) approval of 3 surveys, a site visit guide, and outreach to counties and tribal nations for participation in the Lead Agency Process Mapping. The survey was sent to all 87 lead agencies and tribal nations. Six onsite visits have been completed; nine additional site visits are scheduled in the coming months.

The state is in the process of a contract amendment to increase the number of counties participating in the Lead Agency Process mapping from 15 to 21. It will include the purchase of gift cards for individuals participating in the individual/family surveys and include an additional survey of lead agencies' use of the revised MnCHOICES application.

## Quality Improvement Grants for Customized Living

This proposal provides grants to customized living providers serving people on the Elderly Waiver or disability

waivers for projects that increase the quality of services.

**February 1, 2022 update:** DHS has awarded and executed grants to four organizations to initiate quality improvement projects at their settings. The grants awarded thus far total approximately \$321,000. DHS is working to hire a dedicated grant administrator for this grant program. Once this position is filled, DHS will put out an RFP to award the remaining funds.

**July 18, 2022 update:** The RFP for state fiscal year 2023 is in development and it is expected to be released August 2022

**January 31, 2023 update:** The state released an RFP for this grant in September 2022 and the RFP closed in December 2022. The state plans to execute grant contracts by March 31, 2023. This grant is sustainable beyond FMAP funding as it is permanently funded through the legislature.

### Inclusive Child Care Access for Children with Disabilities

This proposal establishes a grant program for child care providers to expand capacity to serve children with disabilities, including medical complexities, in an inclusive child care setting that serves children with disabilities and children without disabilities in the same setting.

**February 1, 2022 update:** The state conducted engagement and planning with external stakeholders on the new grant program. Additionally the state has interviewed contractors to help with the administration of the project. The contractor has been selected, a work agreement finalized and a project work plan has been developed.

**July 18, 2022 update:** The grant RFP was reissued through July 11, 2022. Applications will be reviewed, and it is expected that awards will be made in summer 2022.

**January 31, 2023 update:** The state is developing a communication campaign aimed at accessing and retaining childcare for children with disabilities. The state has released another request for proposals (RFP), for a pilot to test strategies to increase access for children with disabilities in local childcare centers. There were no responses to the first RFP.

### Self-Advocacy Grants for People with Developmental Disabilities

This proposal provides funding for a statewide advocacy network for people with intellectual and developmental disabilities.

**February 1, 2022 update:** The Self-advocacy Network grant funds several initiatives with the self-advocacy organization Advocating Change Together (ACT). ACT continues to provide support to Self-Advocates Minnesota (SAM) to promote a statewide network of self-advocates. The Olmstead Academy within ACT supported 14 self-advocates in a year-long leadership program in 2021. The 2022 cohort consists of 14 aspiring leaders with Intellectual and Developmental Disabilities (I/DD). The Olmstead Academy continues to promote self-advocates' ideas about the implementation of Minnesota's Olmstead Plan. The self-advocacy grant also support two Disability Equity Training courses for up to 60 people across regions of the state. A statewide conference with an estimated 125 self-advocates is planned for April of 2022.

**July 18, 2022 update:** Advocating Change Together (ACT) continues to manage a competitive grant award for Self-Advocates Minnesota (SAM).

**January 31, 2023 update:** Advocating Change Together (ACT) continues to manage a competitive grant award for Self-Advocates Minnesota (SAM), a self-advocacy network. This initiative is sustainable beyond the FMAP period as Advocating Change Together receives ongoing base funding from the legislature to maintain this self-advocacy network.

## Minnesota Inclusion Initiative Grant

This proposal establishes a grant program for self-advocacy groups of people with intellectual and developmental disabilities to:

- develop and organize projects to increase inclusion;
- improve community integration outcomes;
- educate decision makers and the public; and
- advocate for changes that increase access to formal and informal supports and services necessary for greater inclusion.

**October 18, 2021 update:** This activity is targeted toward organizations that work directly with people to help them become more proficient self-advocates. Many of the self-advocates themselves would be service recipients of HCBS services including those listed Appendix B, but it is not limited to only those that receives HCBS services. The grants are intended to help recipients become more informed consumers of HCBS services. Capital investment costs are not funded as part of this activity.

**February 1, 2022 update:** The state may now implement this activity pursuant to CMS' conditional approval letter of January 24, 2022 and will provide updates in subsequent reports.

**July 18, 2022 update:** A contract is expected to be executed in late summer 2022 to begin this work.

**January 31, 2023 update:** The ARC Minnesota is managing the Minnesota Inclusion Initiative. The state representative has been confirmed for the advisory committee that will be formed by the end of January 2023.

## Parent-to-Parent Program for Families with Children with Disabilities

This proposal provides grants for organizations with established parent-to-parent peer support programs for families of children with disabilities or special health care needs. Organizations must conduct outreach and provides individualized support to any parent or guardian of a child with a disability or special health care need and implements best practices for peer-to-peer support including support from trained parent staff and volunteer supports who have received parent-to-parent peer support training.

**February 1, 2022 update:** The state has executed a contract with a grantee to conduct parent-to-parent programs. The organization has begun work that includes piloting a father's support group, creating videos for outreach to families and planning a virtual family conference for this spring.

**July 18, 2022 update:** The grantee has provided individual support and assistance to 200 unique families across MN and has provided supports, information, and training services through 1,342 family encounters. During this time period, 27 Parent Networking and Support groups serving 230 families occurred. These include an Early Childhood Group, the St. Cloud Group, and the new Dad's Group, the new Somali Parent Group, a general Networking group and a Metro group.

**January 31, 2023 update:** The grantee has continued to implement statewide support groups, parent to parent peer support, and system navigation support for families. The grantee is planning to host family office hours. The grantee is planning for Charting the LifeCourse (CTLIC) training. This initiative is sustainable beyond the FMAP period because it has ongoing state funding.