

# 2024 Best Life Alliance Focus

Minnesota Organization for Habilitation & Rehabilitation (MOHR)  
2023 Legislative Conference

Kevin P. Goodno  
MOHR Lobbyist

August 31, 2023

10:15 AM Session

**Fredrikson**

*Where Law and Business Meet<sup>®</sup>*



# Disability Waiver Rate System

*Minnesota uniform statewide formula-based system that establishes reimbursement rates for home and community-based services provided to individuals under four disability waivers (Waivered Services) within Minnesota's Medicaid System (Medical Assistance).*

# Disability Waiver Rate System Basics

- **Implemented: January 1, 2014**
- **Statewide, Uniform Formula Based System**
- **To Increase rates: Adjust or Add Formula Components**
- **Automatic Rate Adjustment:**
  - **Original: Every 5 Years**
  - **Modified: Every 2 Years**
- **Added: Competitive Workforce Factor: January 1, 2020**

# 2023 Accomplishments

## Disability Waiver Rate System (DWRS)

- **Competitive Workforce Factor (CWF)**
  - Increase from 4.7 percent to 6.7 percent
- **Automatic Rate Adjustment: Timing**
  - 2024: Moved from November 2024 to January 2024 (use same data)
  - Ongoing: Moved from July to January of same year
- **Automatic Rate Adjustment: Age of Data**
  - Changed from: 30 (44) months to 21 (32) months
  - Translation: Using data that is one year more current

# 2024 Legislative Priority

## Fully Fund Competitive Workforce Factor

Increase Factor from 6.7 percent to 16.76 percent

Maintain Factor at new level with no automatic adjustment

Effective January 1, 2025



# Competitive Workforce Factor

*A component value added to DWRS in 2020 that would adjust the Base Wage Index to reflect the difference of wages paid to direct care workers and those workers in other occupations with similar education and training requirements.*

# Competitive Workforce Factor

- **Proposal:** Increase from 6.7 percent to 17.76 percent: January 1, 2025
- **History**
  - Original: January 1, 2014: None
  - Introduced: January 1, 2020: 4.7 percent
  - Increased: January 1, 2024: 6.7 percent
- **Wage Comparisons**
  - 2018: 17.31 percent
  - 2020: 8.43 percent
  - 2022: 16.76 percent

# Competitive Workforce Factor: Benefits

- **Simplicity:** The message to legislators is simple, focused and consistent with addressing our immediate crisis.
- **Immediate (relative) Adjustment:** Can be implemented within the year.
- **CMS Approval:** The Federal Government has approved the concept, so approval should not be an issue.
- **No adjustment:** New concept, but comparison is based on averages. This would make DSP wages competitive with the average. We need to be on the high-end of average to address the workforce shortage.
- **Stability:** With no automatic adjustment, would provide stability in rates and addresses anomalies like 2020 analysis.



# Thank you!

**Fredrikson**

*Where Law and Business Meet<sup>®</sup>*