

Older adults and people with disabilities: Major influx of resources to boost programs and services for Minnesotans

Minnesota made historic investments in programs and services for older adults and people with disabilities in 2021, thanks to legislative action on the state and federal levels. An increase of nearly 15% in state health and human services spending, bolstered by funding from the federal American Rescue Plan, will allow the Department of Human Services to improve and expand care and community supports for Minnesotans.

A significant boost in federal support and higher rates for Home and Community Based Services will help Minnesota better serve people with disabilities and older residents and plan ahead to address workforce shortage issues. Work to empower people with disabilities by streamlining the disability waiver system will move forward, while new grants to providers will support better access to Home and Community Based Services in underserved communities. Local efforts to become “age-friendly” are also in line for more funding.

Meanwhile, Minnesotans who rely on personal care assistance services in their homes and in institutional settings will benefit from a substantial increase in PCA rates. Higher rates and other reforms are designed to address the longstanding workforce shortage of direct support workers, including PCAs, who support people with disabilities and older Minnesotans.

2021 legislation

Increase in funding for Home and Community Based Services. Additional federal funding will enhance, expand and strengthen services. Minnesota will receive a 10% increase in the Federal Medical Assistance Percentage between April 2021 and March 2022, subject to federal approval of the state’s plan to strengthen HCBS. Revenue from this increase will fund initiatives through 2024, detailed in the 2021 legislation to enhance, expand, and strengthen HCBS. *FY2022-23: \$686 million*

Higher rates for several Home and Community Based Services. In January 2022, rates will increase for disability waiver services under the Disability Waiver Rate System, home health and home care nursing services, and services on the Elderly Waiver, Alternative Care, and Essential Community Supports programs. *FY2022-23: \$89 million*

Higher rates for Personal Care Assistance services. Rates will go up as the PCA program evolves into a more comprehensive program called Community First Services and Supports, launching in fall 2021. Rates are set to increase in October 2021, or upon federal approval. By raising rates and making other reforms, the state aims to raise the professional standing of PCAs and attract more people to this important work. *FY2022-23: \$97.9 million*

Informed choice and a simpler disability waiver system through Waiver Reimagine. The second phase of Waiver Reimagine will empower people with disabilities through simplified administrative structures, better

access to individualized information, and more opportunities for people with disabilities to direct their own services. Beginning in July 2024, the state will consolidate the current structure from four waivers to two waivers, and implement an individual budget methodology correlated with a person's individualized support needs. *FY 2022-23: \$2.3 million*

Better access to home and community based services in underserved communities. Grants will assist providers to build organizational capacity for home and community-based services across the state. The goal is to increase the number and capacity of providers, so that people who receive services can work with providers with shared histories, languages, cultures and norms. *FY2022-23: \$15.9 million*

Support for Age-Friendly Minnesota. Funding will support the efforts of up to 100 counties, Tribes and community organizations to become Age-Friendly Communities, emphasizing structures, services and community features that support older residents. This investment pushes forward Minnesota's participation in the nationally accredited AARP Network of Age-Friendly States and Communities while continuing the state's commitment to older residents and their communities. *FY2022-23: \$2.1 million*

Phase-out of subminimum wages. A task force will make recommendations to phase out subminimum wages paid by disability service providers across the state. Grants will support providers to create and implement business plans to move beyond subminimum wage work for people with disabilities. *FY2022-23: \$10.9 million*

Related Information

- [DHS 2021 session fact sheets](#)
- [Waiver Reimagine](#)

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