Workgroup: Guard rails

Guard rail A: Individualized budget ranges

Budget ranges and service-level categories are part of the framework for individualized budgets, with the intention that a majority of waiver eligible participants maintain or see an increase in their allocated budgets. Individualized budgets may be augmented by access to specialized services that are covered outside their individual budgets. For those with higher medical or behavioral service needs, a budget exception may also be requested. This means that an individual's full suite of support may include three different budgetary components.

There are significant concerns associated with the development and deployment of individualized budgets:

A. MnCHOICES data helped inform this structure, which has cultivated distrust of the framework. MnCHOICES is not a validated instrument, despite recommendations from the WR Task Force, DHS and HSRI.
B. Budgets may not meet the needs of individual families. Some reductions may be too great or too sudden for individuals and families to absorb. With budgets being a lump sum, how will each setting breakdown the area into staffing costs, staffing benefits, administration, transportation and programing costs?
C. Despite access to funds, services may not be available due to competitive market forces or service deserts (e.g., DSP, PCA and nursing services.).
D. Residential service providers serving those under the 245D framework have a history of requesting rate exceptions to support those with higher medical or behavioral needs. Requested rate exceptions have exceeded what Disability Waiver Rate System (DWRS) advisors anticipated. The volume and nature of provider rate exception requests may provide useful information regarding unmet needs, emerging service gaps, workforce constraints, limitations within the budgeting methodology, appropriateness of the setting or opportunities for positive behavioral supports. Analysis of these requests may help identify opportunities for improvements beyond simple funding adjustments

Recommendations

1. Reliability and validity tests for MnCHOICES. (Are there any data to substantiate this request?)
2. Make sure approved provider rate exceptions are aligned with individual budgets.

3. Pilot the program. | Test drive—Does WR work as envisioned? Test drive with a sample before full system disruption.
4. For budget reductions of a certain size, have an extra set of eyes on the situation including ,maybe, a WR transition team to help support participants, families and case managers to meet their needs within their available budget. (Currently in DHS?)
5. For those with the highest defined needs, automate the budget exception process to reduce the administrative load on individuals and families.
6. Establish an innovation/resource panel that function as thought and support partners for families and providers to generate, incubate and advance creative solutions. Per the workgroup member who provided this recommendation: It would be a group to call when "This isn't working and we need to talk"—not case managers, not appeals, not attorneys, but sitting side-by-side. In the near term, this group could support WR implementation hiccups. In the long-term they can help create individual solutions. (Maybe the same as group mentioned in #4?)

Legislative considerations

- Budget, policy, staffing, other?

Guard Rail B: The strategic deployment of provider-controlled settings

One part of the residence-based, organizing logic of Waiver Reimagine is to control funding to residential providers with the priority to redirect resources toward community-based supports. Yet, residential services are an essential element to a comprehensive support system. Stakeholders identified a dual risk:

A. Insufficient residential capacity for individuals who need it.
B. Funding structures that may unintentionally influence service decisions in ways that limit genuine choice.

Recommendations

1. Require least restrictive setting review for major service changes.
2. How to assure that those living in provider-controlled settings have real and actual choice.
    a. Get more information on annual home team meetings.

        i. Is this setting appropriate and the least restrictive? This process is defined by statute — annual meeting, provider, MnCHOICES assessor, case manager, social worker, individual, support plan, friends, family.
        ii. How is this monitored/assured by DHS? Is it assumed to be the best setting unless there is an appeal? (Squeaky wheel model, is inherently inequitable.)
3. Develop plan/process for moratorium contingencies — have a plan on where somebody is going to go if they have to move.
    a. Determine if the current approach for assuring necessary placements during the current (recent) licensing moratoriums and new nursing home beds freeze is keeping people safe and supported. Examine how the needs and strategies of those in greater Minnesota differ from those in more urban settings. One approach may not serve all.
    b. Work with hospitals to monitor the number of people who are hospitalized with no other place to go.
    c. Learn from a county-based best practice — establish a system monitor and coordinate available bed capacity. Assure that this information is available and used by those who make referrals and support individuals and families.
    d. How is crisis respite going to be handled in individualized budgets?
    e. Consider customized supports already in place for complex medical individuals that would need to be replicated or not available in between setting and would increase costs of new placement!

Legislative Considerations

- Budget, policy, staffing, other?

Guard rail C: Staffing and service disruptions

Many providers of waiver related services are or on the verge of service interruptions due to forces outside their control. These forces include:

A. Competition for staff. Providers and families are in competition with each other for qualified staff. For example, provider wages capped at $20.50/hr. This combined with the stress and uncertainties currently experienced by service providers, employers like Walmart and Target can be especially appealing.
B. Denied or delayed service agreements destabilize services because bills are not paid. Process disruptions and delays that fall outside the direct control of DHS and may require more comprehensive solution development. The service agreement development is not expected to change in Waiver Reimagine.
- The risk of closure or other service disruptions due to the provider revalidation process as of June 2026. These effects are still emerging.

Recommendations:

1. Contingency plans must be in place for those individuals caught in this flux. Statute from the 2026 legislative session directed DHS to develop a continuity of care team, xxx While A DHS complex transitions team is (will be?) available to help solve problems, social workers and case managers must also be equipped to support the needs of waiver participants effected by this market and policy forces. One point of caution: Historical approaches to contingency planning have relied heavily on the assumption that families, or other forms of unpaid “natural supports” will bridge gaps or provide a safety net.
2. Reliance on unpaid supports masks the true cost of care and may create inequities favoring those who have the capacity to provide supplemental support. Also inequity between providers when they are not required to provide free care but families are.
3. Waiver Reimagine is intended to offer long-term, sustainable, person-centered and integrated solutions. Ignoring this untracked and uncompensated part of the economic model makes the solutions inherently unsustainable. Documenting and quantifying this economic contribution is recommended.
4. Risk analysis must be conducted to understand the implications of imposed constraints on providers. Providers may need technical assistance and other supports (like communities-of-practice) to help providers be successful in working in new ways. Just saying “no” is not a viable-solution. How can providers learn from the best practices of others?

5. While DHS is currently studying work force shortages to prepare a strategic response, this work must include consideration for the effects of provider rate caps in the ability to attract and retain qualified staff.
6. Look for ways to streamline training and certification processes to reduce redundancy and improve efficiencies to reduce barriers to employee retention.

Legislative Considerations

- Budget, policy, staffing, other?

Guard rail D: Implementation (needs work)

While Waiver Reimagine has been under development since 2017, confusion remains. Project rationale and implementation logic have not been clearly communicated.

Recommendations

- Produce plain language explanations of will change and why. Also explain what inside/outside budgets are and where exceptions may exist.
- Pilot the project to see if it works as intended.

Use real cases to compare current funding to WR.

Legislative Considerations

- Budget, policy, staffing, other?