



**Date:** Aug. 14, 2026  
**To:** Waiver Reimagine Task Force  
**From:** Disability Services Division Director Heidi Hamilton

## **RE: 2026 recalibration and updated budget ranges for Individual Support Waiver**

### **Please find attached a draft brief update on Waiver Reimagine recalibration for the Individual Support Waiver**

As part of Waiver Reimagine, the Minnesota Department of Human Services (DHS) contracted with the Human Services Research Institute (HSRI) to recalibrate the proposed budget model using current data and updated policy decisions and funding methodology. Initial budget ranges published in 2021 were based on fiscal year 2019 data, and service use, provider rates, MnCHOICES and Waiver Reimagine policy decisions have since changed.

While still in progress, parts of the recalibration are complete and working as expected. To date, the completed work includes updated budget ranges to reflect today's disability waiver service system and the policy decisions made through Waiver Reimagine for the new Individual Support Waiver. People who are eligible for and use the Individual Support Waiver choose to live in their own home or with family and receive services and supports.

DHS initiated this recalibration to reflect today's service system to prepare for the planned Jan. 1, 2027, implementation of the new Disability Waiver Program. Due to the [delayed launch](#), the model may be updated again if significant changes occur before the new program is implemented. We will share an updated launch timeline as soon as it is available.

The attached HSRI draft brief shares the updated methodology, summarizes the findings and explains how budget ranges, out-of-budget services and budget exception requests work together to support person-centered planning. Because it is intended as a technical reference, DHS will develop plain-language materials and training before people receive their budget ranges one year before implementation.

Due to the impacts of recent legislation, we need to do additional work to complete the Residential Support Waiver budget ranges. These ranges will be shared when ready. The Centers for Medicare & Medicaid Services (CMS) must approve our new waiver plans, including the budget methodology, before the launch of the new Disability Waiver Program.

### **Why use budget ranges?**

Budget ranges support Waiver Reimagine's goal of creating a fairer and more consistent disability waiver program. Today, people with similar support needs may receive different funding because of historical decisions

and differences in local practices. Budget ranges provide a consistent starting point for individual budgets based on assessed support needs and choices while preserving person-centered planning.

## How to interpret budget ranges

**A budget range is one part of a person's total support plan funding.** It provides funding for **in-budget services**. A person's **total support plan funding** may also include:

- **Out-of-budget services:** Services covered by a person's waiver but paid for outside their budget, so they do not use money from the budget range.
- **Exception requests:** Additional funding available when a person's support needs cannot reasonably be met within their budget range. These exceptions are not yet final.

## Community input

HSRI convened an **Expert Panel** of people receiving services, family members, lead agency staff, providers and disability advocates as well as DHS policy experts to review the funding approach, key assumptions and real-world examples to validate the model. Their feedback refined service mix assumptions and strengthened the methodology used to develop the budget ranges.

## Key takeaways

- **The updated model promotes a more equitable and person-centered funding approach:** It addresses inequities by using one consistent statewide methodology to develop budget ranges while preserving flexibility for people to choose the services that best meet their needs.
- **Budget exception process:** Because no funding model can account for every situation, people can submit budget exception requests when their budget range does not meet their support needs.
- **The recalibration is an important milestone, not the final step:** The 2026 budget ranges reflect the current service system and may be updated before implementation if major changes occur.

## Why 2026 budget ranges differ from 2021

**The 2026 budget ranges cannot be compared directly with those published in 2021.** They reflect current data, including changes based on the **revised** MnCHOICES assessment tool, updated policy decisions and revised funding assumptions used to develop the model:

- **Current data:** Budget ranges are based on recent service use, assessment and provider rate data.
- **Simplified ranges:** Adults living independently and living with family now use the same budget ranges.
- **Expanded out-of-budget services:** Some services that were previously included in budget ranges will now be funded separately as out-of-budget services.
- **Refined assumptions:** Assumptions about how people use services were updated based on feedback from people, providers, counties and other experts.

## Next steps

- **Review of HSRI draft brief:** HSRI requests Waiver Reimagine Task Force and Expert Panel feedback before publication on the new Disability Waiver Program website.
- **Budget terminology testing:** DHS updates budget terminology based on feedback from community members on the Virtual Insight Panel and case managers on the Professional Insight Panel.
- **Implementation resources:** DHS creates and tests plain-language resources, training and guidance to help people and partners prepare.