Minnesota Long-Term Services and Supports (LTSS) Advisory Council

Town Hall

July 20, July 22, and July 24, 2026

PUBLIC CONSULTING GROUP

Solutions that Matter

Welcome and Housekeeping

Welcome to the Minnesota LTSS Advisory Council Town Hall!

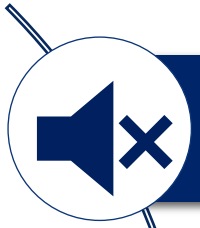
- Thank you for joining us here today!
- All participants are muted for the duration of the Town Hall
- Participants will have a chance to speak if you would like to ask a question or share your experience
- The chat and Q&A functions enabled throughout the Town Hall
    - Please only use the chat function for technical issues (for example, if you'd like us to speak louder)
    - The Q&A function is for questions about the presentation materials

If you would like to ask your question out loud, please raise your virtual hand after the material is presented.

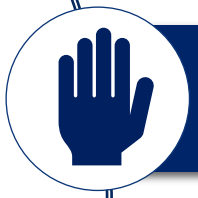
Housekeeping

- This meeting is open to the public and is not being recorded
- We will transcribe the session to keep accurate notes and will not attribute any comments to anyone
- We will report all comments anonymously and in aggregate

General Practices



Please keep your microphone on “mute” unless you’re speaking. This will help us minimize background noise.



Feel free to use the “raise hand” or “chat” feature in Zoom. We’ll do our best to answer all questions and call on everyone who wishes to speak.

There are no right or wrong answers. You don’t have to answer any questions that you don’t want to.

There may be differences in opinions, but it’s important that we treat each other with respect. If you disagree with what someone says, remember that they’re talking about their own experience.

Agenda

- Welcome & Housekeeping
- Introductory Questions
- Purpose and Background of the LTSS Advisory Council
- Cost Savings Recommendations: Review & Feedback
- Open Q&A Session
- Conclusion

Introductory Questions

Polls: Where Are You Located and What Is Your role?

- Where are you located in Minnesota?
  - Enter your county or Tribal Nation
- What community partner group(s) do you identify with?
  - People receiving LTSS
  - Family Caregiver or Support Person for someone who receives services
  - Leadership for an organization that provides LTSS (provider leadership)
  - Direct Care Worker
  - County
  - Managed Care Organization
  - Tribal Nation

Purpose and Background of the MN LTSS Advisory Council

Background

- The Long-Term Services and Supports (LTSS) Advisory Council was created by the Minnesota Legislature (2025 1st Special Session, Chapter 9, Article 2, Section 58)
- Their charge is to provide cost saving recommendations in LTSS amounting to $177,542,000 for the 2028-2029 biennium to the Legislature by December 1, 2026
- If the LTSS Advisory Council cannot identify enough savings, the state will reduce spending starting July 1, 2027, by reducing disability waiver rates and requiring counties to share more of the cost of residential disability waiver services
- Council membership is set by the legislature and includes people receiving services, family members, advocates, providers, counties, and Tribal Nation representatives

LTSS Advisory Council Scope

- Alternative Care (AC) program
- Brain Injury (BI) waiver
- Community Alternative Care (CAC) waiver
- Community Access for Disability Inclusion (CADI) waiver
- Nursing facility services
- Community First Services and Supports (CFSS) and Personal Care Assistance (PCA)
- Developmental Disabilities (DD) waiver
- Elderly Waiver (EW)
- Essential Community Supports (ECS)

LTSS Advisory Council Values

- The values established by the LTSS Advisory Council in its charter to guide their recommendation development:
  - Prioritizing the well-being of people served and workers
  - Ensuring the stability and financial sustainability of Minnesota's LTSS
  - Preserving access to services and choices
  - Enhancing quality of life
  - Focusing on viable strategies for consideration by legislature

LTSS Advisory Council Work to Date

- Convened six times since October 2025 to review key data and partner input, including LTSS spending, national cost-saving trends, community partner feedback (via survey), and potential impacts on people receiving services
- Established three focused workgroups, which have met monthly since January 2026 to evaluate opportunities and develop cost-saving proposals
- Developed seven cost-saving recommendations (listed on next slide)
- Seeking community partner feedback on these recommendations today

Recommendations for Discussion Today

- Eliminate CFSS Consultation Services
- Reinstate TEFRA Fees
- Require Participants Age 65 on the BI or CADI Waivers to Transition to EW
- Eliminate the Planned Closure Rate Adjustment (PCRA) Program
- Eliminate the Performance-Based Incentive Payment Program (PIPP)
- Cap the Allowable Health Insurance Costs for Nursing Facilities at $15,000 per Enrollee
- Increase Quality in Nursing Facility Care

Cost-Saving Recommendations: Review and Feedback

Recommendation Review & Feedback Process

- For each recommendation we will present a description and estimate of the cost savings
- Then we will ask you a series of questions for each recommendation through a live poll
- We will share a link to an electronic Microsoft form you can use to submit more feedback on the recommendations during or after the meeting
- The Question & Answer period will be after all recommendations have been presented

Poll & Microsoft Form Instructions

- We will be launching multiple polls through the Zoom app to gather your feedback
- When these polls appear on your screen, please do your best to answer all questions to the best of your ability
- All polls are multiple choice, and there will be a rank-choice question near the end of the presentation
- Please answer honestly; the polls will be anonymous
- If you cannot access the polls, or require more time, please fill out our Microsoft Form using this link: Minnesota LTSS Advisory Council's Cost-Savings Recommendations Public Comment – Fill out form
- The Microsoft Form will be open through July 31, 2026

Poll Questions for Each Recommendation

1. Would this change make it easier or harder for people to get services?
   - *Response options*: Easier, Harder, Unsure

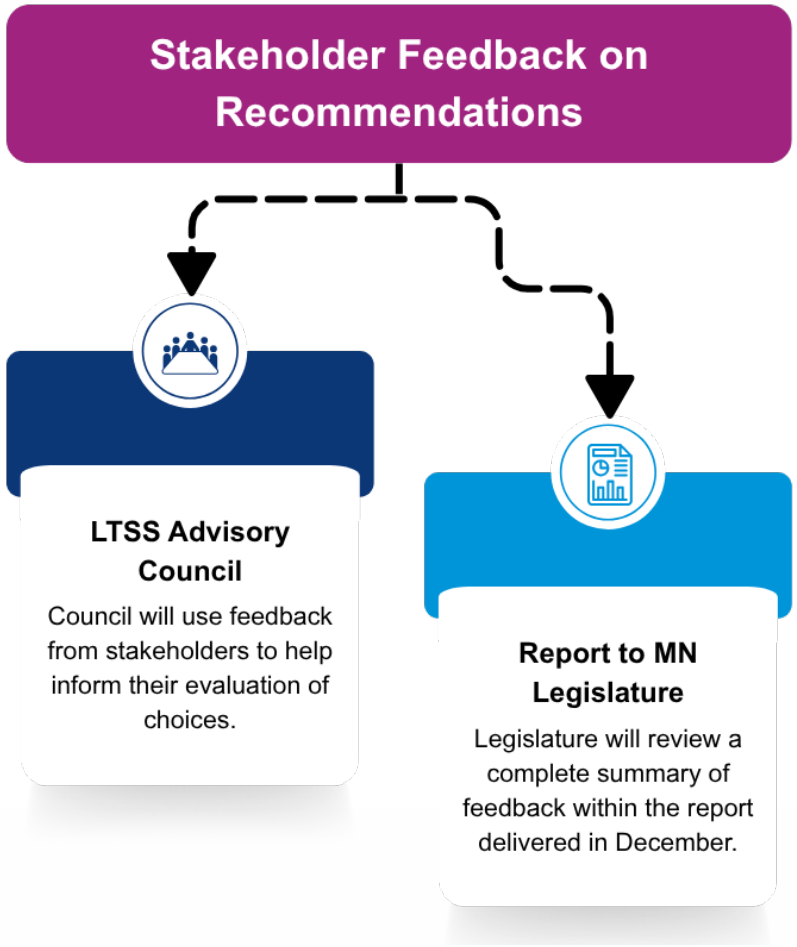
2. Would this change affect some communities and/or populations more than others?
   - *Response options*: Yes, No, Will affect all communities the same way

3. Would this change make it easier or harder for providers to deliver services?
   - *Response options*: Easier, Harder, Unsure

4. Would this change make it easier or harder for county staff, state staff, or Tribal Nations to do their work?
   - *Response options*: Easier, Harder, Unsure

How Will Your Feedback be Used?

- Your feedback will be provided to the LTSS Advisory Council for consideration as they evaluate each cost-saving recommendation
- A summary of feedback will also be included in the final cost-saving recommendation report sent to the Legislature in December 2026



Recommendation #1: Eliminate Community First Services and Supports (CFSS) Consultation Services

What are CFSS Consultation Services?

Consultation services

- Provide education to help people make informed decisions about how to meet their needs using CFSS
- Helps people write their service delivery plans, if desired
- Provides a review of people's service delivery plans
- Provides people with ongoing support, as needed

Recommendation: Eliminate CFSS Consultation Services

What does this mean?

- Consultation services would no longer be available for people using CFSS, including people who don't have a case manager

- **What would change?**
  - The support some people receive through consultation services would move to case management
  - People without a case manager who use consultation services to navigate available services would have to receive this support from their county or Tribe in another way

- **What are the cost savings?**
  - Estimated $5–6 million for the FY28/29 biennium

Poll on Recommendation #1
Eliminate CFSS Consultation Services

Recommendation #2: Reinstate TEFRA Fees

What is TEFRA?

- The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) option helps children with disabilities qualify for Medical Assistance (MA), even when their family income is too high for standard MA eligibility
- Before January 2024, parents were charged a monthly fee based on household income
- The fee amount was determined using a sliding scale tied to family income
- Legislation passed in 2023 eliminating all TEFRA parental fees

Recommendation Reinstate TEFRA Fees

What does this mean?

- This would reinstate the fee requirements for Medical Assistance (MA) under the Tax Equity and Fiscal Responsibility Act of 1983 (TEFRA), which were ended in 2023
- Parental fees would increase by 1–2% from previous levels

What would change?

- Families enrolled in TEFRA whose income is at least 575% of Federal Poverty Guidelines (FPG) would have to contribute financially toward the services their family member receives

What are the cost savings?

- Estimated FY28/29 biennium savings on next slide

FPG Level and Adjusted Gross Income (AGI)

FPG Level	AGI for a Family of Four
≥ 975% FPG	$321,750.00
≥ 675% FPG	$222,750.00
≥ 545% FPG	$179,850.00

Fiscal Estimate: TEFRA Fees by FPG Level

FPG Level	AGI Income- Family of 4	Estimated FY28/29 Savings
≥ 975% FPG	$321,750.00	Estimate in Progress
≥ 675% FPG	$222,750.00	$20–25 million
≥ 545% FPG	$179,850.00	$35–40 million

Fiscal Estimate: TEFRA Parental Fees by Percentage of Adjusted Gross Income

Adjusted Gross Income (Less Deductions)	Parental Fee	Estimated Total Annual Fee Amount
Equal to or greater than 545% of FPG but less than 675% of FPG	4.5% of Adjusted Gross Income	$8,093.25 to $10,023.75
Equal to or greater than 675% but less than 975% of FPG	Sliding scale that goes from 5.50-6.49% of Adjusted Gross Income	$12,028.50 to $20,884.58
Equal to or greater than 975% of FPG	9.49% of Adjusted Gross Income	$29,565.31

Poll on Recommendation #2
Reinstate TEFRA Fees

Recommendation #3: Require Participants Age 65 on the BI or CADI Waivers to Transition to EW

Who is Currently Eligible for BI, CADI, and EW?

Brain Injury (BI) waiver

- Provides services for children and adults with a diagnosis of brain injury who need the level of care provided in a specialized nursing facility or neurobehavioral hospital
- People new to enrolling in a waiver must be younger than 65 to enroll in BI
- People already on the BI waiver, may remain on the waiver after they turn 65

Community Access for Disability Inclusion (CADI) waiver

- Provides services for children and adults with disabilities who need the level of care provided in a nursing facility
- People new to enrolling in a waiver must be younger than 65 to enroll in CADI
- People already on the CADI waiver, may remain on the waiver after they turn 65

Elderly Waiver (EW)

- Provides services for people age 65 and older who need the level of care provided in a nursing facility

Recommendation: Require Participants Age 65 on the BI or CADI Waivers to Transition to EW

What does this mean?

- People currently enrolled in the Brain Injury (BI) or Community Access for Disability Inclusion (CADI) waiver who are age 65 or older (or once they turn 65) would be required to move to the Elderly Waiver

What would change?

- People who move from BI or CADI to EW may need to switch to different services because EW has some different service options. They would also have a case mix budget cap.

What are the cost savings?

- The LTSS Advisory Council is considering two options: one with exceptions, and one with no exceptions
- Exceptions and estimated savings are described on the next two slides

Fiscal Estimate: People 65+ to EW with Exceptions

- This option exempts people using customized living (CL) and community residential services (CRS).
- This option also adds night supervision and employment services to EW, but that is not included in this estimate.

Proposal	Estimated FY28/29 Savings
Transitions people who are not living in CRS or CL and are 65 or turn 65 from BI or CADI waivers onto Elderly Waiver	$20–25 million

Fiscal Estimate: People 65+ to EW, No Exceptions

- This option requires people using CADI or BI to transition to EW with no exceptions based on the services they use.
- This option would not add new services to EW.

Proposal	Estimated FY28/29 Savings
Transitions individuals who are 65 or turn 65 to BI or CADI waivers onto Elderly Waiver	$100-105 million

Poll on Recommendation #3
People Age 65 and Older on BI or CADI Transition to EW

Recommendation #4: Eliminate the Planned Closure Rate Adjustment (PCRA) Program

What is PCRA?

- The Planned Closure Rate Adjustment (PCRA) pays nursing facilities to permanently close beds
- PCRA was established before the current value based reimbursement (VBR) model
- VBR already accounts for cost increases related to lower occupancy
- PCRA add-on payments continue for the life of the facility under current law

Recommendation: Eliminate the PCRA Program

What does this mean?

- Ends add-on payments for permanently closed nursing home beds since reduced occupancy is already reflected in nursing facilities' cost-based reimbursement, avoiding duplicate payments

What would change?

- Duplicate payment would be discontinued
- This could reduce the overall amount some nursing facilities are paid

What are the cost savings?

- Estimated $6–7 million for the FY28/29 biennium

Poll on Recommendation #4
Eliminate the Planned Closure Rate Adjustment (PCRA)

Recommendation #5: Eliminate the Performance-Based Incentive Payment Program (PIPP)

What is PIPP?

- The Performance-Based Incentive Program (PIPP) funds nursing home projects that improve care quality and operations
- Providers propose projects and compete for funding
- The program was created before the current cost-based payment system
- PIPP helped cover project costs that were not included in standard reimbursement rates but are now included under VBR

Recommendation: Eliminate the PIPP Program

What does this mean?

- PIPP funds provider-initiated projects for improving nursing facility quality and efficiency of care
- Ends PIPP payments to prevent duplicate funding for costs already covered in provider reimbursement rates

What does this change?

- Duplicate payment would be discontinued
- This could reduce the overall payment to some nursing facilities

What are the cost savings?

- Estimated $5–6 million for the FY28/29 biennium

Poll on Recommendation #5 Eliminate the Performance-Based Incentive (PIPP) Program

Recommendation #6: Cap the Allowable Health Insurance Costs for Nursing Facilities at $15,000 per Enrollee

What is the Current Reimbursement to Nursing Facilities for Employee Health Insurance?

- VBR removed limits on employee health insurance reimbursement
- Health insurance costs have increased 69% since then
- Some facilities received more than $30,000 per employee enrollee in 2024
- Reimbursement levels exceeded the state's employee health insurance contribution by more than three times

Recommendation: Cap the Allowable Health Insurance Costs for Nursing Facilities at $15,000 per Enrollee

What does this mean?

- Would establish a limit to the amount nursing facilities can be paid for employee health insurance under their cost-based reimbursement

What would change?

- This could reduce the overall payment to some nursing facilities

What are the cost savings?

- Estimated less than $1 million for the FY28/29 biennium

Poll on Recommendation #6
Cap the Allowable Health Insurance Costs for Nursing Facilities

Recommendation #7: Increase Quality in Nursing Facility Care

How are Nursing Facilities Encourage to Improve Quality Now?

- VBR pays nursing homes based on their actual costs and quality performance
- Higher quality scores can affect how much a facility is reimbursed
- A 2021 independent evaluation found no evidence that VBR's quality incentives improved nursing home quality
- The evaluation concluded that changes to the VBR formula are needed to achieve the program's quality goals

Recommendation: Increase Quality in Nursing Facility Care

What does this mean?

- Would adjust how much nursing facilities can be reimbursed for care-related costs to better reward higher-quality care

What would change?

- This could reduce the overall payment to some nursing facilities

What are the cost savings?

- Estimated $5–6 million for the FY28/29 biennium

Poll on Recommendation #7
Increase Quality in Nursing Facility Care

Recommendation Ranking Poll

Poll Questions

Please rank the ideas presented today based on the level of disruption you might expect to the services people receive.

Response Options:

- Eliminate CFSS Consultation Services
- Reinstate TEFRA fees for individuals with an estimated income level of over 575% of the FPG
- Require individuals 65+ to enroll on the Elderly Waiver
- Eliminate the Planned Closure Rate Adjustment (PCRA) Program
- Eliminate the Performance-Based Incentive Payment Program (PIPP)
- Cap the Allowable Health Insurance Costs for Nursing Facilities at $15,000 per Enrollee
- Increase Quality in Nursing Facility Care

Open Question & Answer Session

Please raise your virtual hand if you'd like to speak or put your question in the Q&A function on Zoom.

Closing

What Happens Next with Recommendations

- The Microsoft Form is open through July 31, 2026, for attendees and other members of the public to provide written comment about the cost-saving recommendations discussed today
- The LTSS Advisory Council will discuss and vote on recommendations in their August meeting
- Recommendations receiving a majority “yes” vote in August will be included in the final Legislative Report
- Legislative Report will be submitted to the Legislature in December 2026

Thank you!

- Thank you for your engagement and feedback today
- Next LTSS Advisory Council meeting is Thursday, August 20, 2026, from 1–4pm and is open to public
    - The meeting includes a public comment period at 4pm, Sign-up is at 2:30pm
- For information on how to attend the next meeting and/or to view other LTSS Advisory Council materials, please visit this website: Long-Term Services and Supports Advisory Council / Office of Inspector General

Solutions that Matter