



# Disability Waiver Rates System Cost Reporting

DWRS Cost Reporting Team

Disability Services Division

Minnesota Department of Human Services

# The why and what of cost reporting

# Why Cost Reporting Now?

## Direct Care Staffing:

### INDIVIDUAL STAFFING

#### Step 1. Add wage for individual direct staff

Staff Type	Wage
Hour of service	\$ 12.27

#### Step 2. Add % to cover Supervision

Direct Supervision	Wage	Supervision Perc	Supervision Amount
Hour of Service	\$ 19.15	11%	\$ 2.11

#### Step 3. Add staffing customization option to meet high level needs provided to an individual

Staffing Customization Options	Add-on \$	Add-on Choice
No Customization	\$ -	\$ -
Deaf or hard of hearing	\$ 2.50	

#### Step 4. Add % to cover vacation, sick and training for individual direct staff hours

Percentage of direct care to cover staffing benefits	Dollar Amount
Percentage for Direct Care Staffing	8.71% \$ 1.25

#### Step 5. Calculate hourly individual staffing

Total Individual Staffing Amount	\$ 15.63
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As DWRS moved off of banding, the system continues to need on going analysis to support rates that reflect service costs.

Cost reporting will collect the direct information that DHS and stakeholders will need to maintain a system that meets the needs of individuals supported by the waivers.

The launch of cost reporting was delayed by one year due to COVID-19

# What is Cost Reporting?

- The reporting of the actual costs of providing services by the established cost centers such as wages, program administration, or facilities
- The purpose of this reporting is to collect cost data that will inform DWRS rate formulas.
- The ongoing collection of this data will inform policy makers of the cost drivers and will allow for DWRS to set rates that allow services to be appropriately funded, encourage provider viability, and help ensure service access HCBS waiver recipients.

# What Cost Reporting is NOT

- An effort to collect only your direct costs and change your rate. This is aggregate reporting for all providers.
  - Roughly 600 providers will report this year.
- No automatic changes to rate will occur. Any changes to the frameworks would have to be made by the legislature.
- An audit of your business or home.
  - There is an auditing component to cost reporting, but it is only for how the information that is part of cost reporting was reported.

# What will be reported?

- Data collection happens at the provider level and collects the actual costs of providing services by categories that correspond with rate assumptions, including:
  - Administrative and Direct Care wages, benefits, and payroll taxes
    - Including payment to the license holder and family
  - Service Facilities Costs, including building and maintenance costs
    - This does not include residential homes, which are funded under housing support (formerly GRH)
  - Transportation Costs, program and non-program related
  - Program Administrative Costs
  - General Administrative Costs
- This reporting includes only DWRS costs, with allowances for reporting wages or costs that span multiple programs.

# What to use to report

- A company's official bookkeeping records should be used when available. Depending on leadership decisions this may be certified or uncertified records.
- If you do not keep records of costs and wages, use trackable documentation to prove the incurred costs/payments. Things like credit card or bank statements should be used and saved in your records.
  - DHS suggests starting to track payments today for preparation of future reporting.
- To understand billed units and revenues, remittance payment notifications in the MN-ITS system should be available.
  - DHS suggest starting to track billing if you are not currently doing so.

# “Be no more complex than necessary”

DHS aims to keep cost reporting as simple as possible, though some reporting must be specific in order to continue to evaluate the current cost assumptions in DWRS rate calculation.

Employee Benefits									
Health Insurance	Dental Insurance	Vision Insurance	Life Insurance/ AD&D	Short-term Disability	Long-term Disability	Tuition Reimbursement/ Cont.	Retirement	Other Benefits	M



# Reporting

- All providers that provide at least one DWRS service are required to report once every five years, beginning in 2021.
- DHS anticipates 20% of providers will report every year, based on random sampling.
  - 2023 sample is 600 providers
- Providers are required to report on a fiscal year completed in the last 18 months.
  - For 2023, DHS recommends reporting on calendar year 2022
    - If reporting on calendar year 2021, must submit by June 30, 2023
- If a provider fails to complete a report by the deadline, DHS is required to suspend payments until the report is completed.
  - Stop payment deadline is December 1, 2023

# Annual Reporting Schedule

Date	Task
By March 31	Notify providers mandated to report that year
June 1	90-day Notice of reporting deadline
August 31	Reporting Deadline
Sept 1	Send out first notice of non-compliance; for providers who haven't submitted reports by August 31
Oct 1	Send out second notice of non-compliance; for provider who haven't submitted by September 30 (30 days late)
Nov 1	Send out third notice of non-compliance; for providers who haven't submitted by 10/31 (60 days late)
Dec 1	Send out notification of stop payment for non-compliance (90 days late)

# Is it my year to report?

If it is your year to report, your authorized agent will have received multiple notification emails as well as user log-in information. The most recent would have been on June 1st, 2022. Make sure to check all of your SPAM folders.

If you are still unsure if it is your year, reach out to the cost reporting team with information about your organization like name, NPI/UMPI, authorized agent name.

\*Please note that all communication about cost reporting goes through your authorized agent. If you are unclear who your authorized agent is, reach out to your licenser. For family providers, this is usually the license holder.

# Where to get help and answers

# Email Address for specific questions

If you have a question specific question about your organization or cannot find the answer on the website or in the manual, you can send the cost reporting team an email at [dhs.DWRScostreporting@state.mn.us](mailto:dhs.DWRScostreporting@state.mn.us). Allow for up to three business days for a reply.

Please note that we are a small team supporting 600 providers through cost reporting this year. As we get closer to deadlines, response times may take longer. If you need hands-on help, please start your cost reporting as early as possible. Sending multiple emails will not get you a response quicker and is likely to slow down all responses.

# DWRS Cost Reporting website

The DWRS Cost Reporting website is a great resource for all providers who are reporting and for those planning for future reporting. Some of the major highlights are:

- Annual reporting schedule on the Background tab
- Links to live trainings on the News/Updates Tab
- A lot of helpful resources on the Resources tab.
- Links to other relevant DHS works on the Links tab.

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Home > Partners and providers > News, initiatives, reports, work groups > Long-term services and supports > Disability waiver rate system > DWRS Cost Reporting

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## Disability Waiver Rate System cost reporting

### Important note related to COVID-19

To ease the burden on provider organizations as they respond to COVID-19, DHS delayed the scheduled launch of the Disability Waiver Rate System cost reporting system until March 2021.

Background News/updates Resources Links

### Background

The Minnesota Legislature directed DHS to develop and implement a provider cost review for agencies that provide at least one service covered by DWRS ([Minn. Stat. §256B.4914, subd. 10a](#)).

We will use the data gathered from DWRS cost reporting to make evidence-based recommendations to the Legislature about the payment rates for disability waiver services. We will collect this data on an ongoing basis to inform policy makers of the cost drivers and allow the DWRS to set rates that:

- Appropriately fund services
- Encourage provider viability
- Ensure service access for people who receive services under the home and community-based services

# DWRS Cost Reporting Manual

There is a detailed and comprehensive plain language manual for providers to access online. Each page of cost reporting has a corresponding manual webpage. With additional manual pages for:

- Authorized Agents and Provide user guidance
- Cost Allocation methodologies
- Submission guidance

There is no option to download because updates are being made frequently. You will find links to the manual on the DWRS cost reporting website, homepage of the cost reporting system, and specific links to corresponding pages in each section of the reporting system.