

**MINNESOTA  
DEPARTMENT  
OF  
HUMAN  
SERVICES**

**DISABILITY  
SERVICES  
DIVISION**

***Creating  
Service Options  
and Choice  
In  
Homes and  
Communities***

**Home and Community-Based  
Services Waiver  
For  
Persons With  
Mental Retardation  
and  
Related Conditions**

***A Report to the Minnesota Legislature***

**January 2005**

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## Legislation

Minnesota Statutes section 256B.0916, Expansion of home and community-based services; management and allocation responsibilities. Subd. 7. Annual report by commissioner. Beginning November 1, 2001, and each November 1 thereafter, the commissioner shall issue an annual report on county and state use of available resources for the Home and Community-Based Waiver for Persons with Mental Retardation or Related Conditions. For each county or county partnership, the report shall include: (1) the amount of funds allocated but not used; (2) the county specific allowed reserve amount approved and used; (3) the number, ages, and living situations of individuals screened and waiting for services;

(4) the urgency of need for services to begin within one, two, or more than two years for each individual; (5) the services needed; (6) the number of additional persons served by approval of increased capacity within existing allocations; (7) results of action by the commissioner to streamline administrative requirements and improve county resource management; and (8) additional action that would decrease the number of those eligible and waiting for waiver services.

Minnesota Statutes section 256.49, Subd. 21. Report. The commissioner shall expand on the annual report required under section 256B.0916, subdivision 7, to include information on the county of residence and financial responsibility, age, and major diagnoses for persons eligible for the home and community-based waivers authorized under subdivision 11 who are: (1) receiving those services; (2) screened and waiting for waiver services; and (3) residing in nursing facilities and are under age 65.

The Department will submit a separate report to respond to this new requirement.

## Introduction

Before 1981, options to support persons with mental retardation or related conditions and their families were limited. Medicaid funding was only available to pay for services in Intermediate Care Facilities for persons with mental retardation (ICFs/MR), which includes state Regional Treatment Centers (RTCs) and community group homes. In order to support persons to remain in their family homes or other individualized community settings, changes were needed in the way states could use money from Medicaid to pay for services.

In 1981, the federal government passed the Omnibus Budget Reconciliation Act (OBRA), which created the Title XIX Home and Community-Based Services Program. This act allowed the Department of Health and Human Services (DHS) to waive traditional Medicaid requirements, which allowed states to provide home and community-based waiver services as an alternative to institutional care. In 1984, Minnesota implemented the Home and Community-Based Services Waiver for Persons with Mental Retardation or Related Conditions, also referred to as the MR/RC Waiver.

The goal of the MR/RC Waiver is to provide necessary services and supports so that the person can continue to live in their community. These services should be meaningful to the person receiving the services, respectful of the beliefs and customs of that person, assure health and safety, and increase levels of independence. MR/RC Waiver services are based on individual needs and enable a person to become involved in and to develop relationships in the community.

To be eligible for the MR/RC Waiver, a person must choose the MR/RC Waiver and meet all of the following criteria:

- Eligible for Medical Assistance (MA) based on disability diagnosis.
- Have a diagnosis of mental retardation or a related condition.
- Reside in an ICF/MR and continue to require an ICF/MR level of care or the screening team determines the person would be placed in an ICF/MR if home and community based services were not provided.
- Require daily interventions, daily service needs and a 24 - hour plan of care that is specified in the plan of care.
- Has made an informed choice of waiver services instead of ICF/MR services.

Home and Community-Based Services Waiver  
For  
Persons with Mental Retardation or Related Conditions

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## **Executive Summary**

Over the last two decades, the Minnesota Department of Human Services (DHS) has worked to replace institutional care with community-based service options. To help achieve this goal, the Department implemented the Home and Community-Based Services Waiver for Persons with Mental Retardation or Related Conditions (MR/RC Waiver) in 1984. The MR/RC Waiver provides supports necessary for persons to be integrated and included in their communities. The service options available allow flexibility and choice for people to be supported in a manner that best meets their preferences and needs.

Until 1999, approximately 600 MR/RC Waiver allocations were awarded annually, which was less than the annual increase in the number of people applying for MR/RC Waiver services. In 2001, advocate effort and legislative action opened an unprecedented window of opportunity that allowed access to the waiver for over 5,000 new people, increasing the total number of waiver participants to over 14,000.

For the current biennium, legislation does not allow new diversion allocations that would add resources to a county's budget, but conversion allocations may be created, and funds added to a county's budget, as a result of decertifying a bed in an Intermediate Care Facility for Persons with Mental Retardation (ICF/MR). Counties may serve additional people through the MR/RC Waiver as their budget allows. As of September 1, 2004, approximately 14,530 people were receiving services through the MR/RC Waiver.

### **Management of the MR/RC Waiver**

DHS continues to take other administrative actions to improve access to home and community-based services and assist counties in managing their waiver resources. The Department has:

- Developed and continues to update the Disability Services Program Manual (DSPM) located on CountyLink, to provide counties with policies and procedures and their legal authority for consistency in program administration across all counties.
- Created H-C (Home and Community) Policy Response, a tool for counties to ask

will consider changes that address issues of equity, predictability, cost management, and budget planning for future demands and changes in demographics.

**Implement the revised Consumer Directed Community Supports (CDCS) service.**

CDCS allows consumers and/or their legal representatives to have control over their budgets and arrange for services that are designed to build and maintain informal networks of community support. DHS received approval of the waiver plan amendment in March 2004. CDCS was implemented on October 1, 2004 for persons on all waivers in the thirty-seven counties that were previously providing CDCS. The service will be available across the state as of April 1, 2005 for persons on all waivers. DHS has provided training to counties and health plans on the implementation of CDCS and will be providing repeat sessions of the trainings before implementation across the state. Materials have been developed to provide consumers, their families and counties with additional information on CDCS.

**Strengthen Technology Applications for Fiscal and Program Integrity.**

DHS will proceed to develop technology supports that address state and county management needs, administrative practices and reporting.

**Strengthen Quality Management.**

DHS will recommend, invest in and look for opportunities to enhance quality management in order to:

- Increase the state's capacity to monitor, report and improve county performance related to the administrations of the MR/RC Waiver program.
- Design a reporting structure for DHS and county managers that routinely provide information about key indicators.
- Improve statewide process used to access and distribute home and community based waiver resources.

policy- related questions in the event that policy information on a specific area cannot be located within the DSPM.

- Improved upon and provided ongoing intensive training and technical assistance to counties from Regional Resource Specialists, including the Waiver Management System (WMS), an online program that provides various categories of information for county agency tracking and planning purposes (counties use this information in planning and managing waiver resources).
- Received approval from the Centers for Medicare and Medicaid Services (CMS) of a Consumer Directed Community Supports (CDCS) Amendment to expand the CDCS across the state and provide for consistent administration in all 87 counties.
- Provided an intensive schedule of CDCS training to counties and written materials for consumers and counties to assure uniform implementation of the new CDCS amendment.
- Developed and delivered training to case managers across the state to assure consistent practices when determining level of care and eligibility for the MR/RC Waiver.
- Entered into a contract to design a State to County budget allocation methodology for the MR/RC Waiver by 2007.
- Provided counties with guidelines in the following three areas related to managing the county budget for the MR/RC Waiver while assuring consumer protections:
  - County procedures for allocating available funding to individual recipients.
  - Required county notifications and obligations when proposing amendments to individual service plans and/or recipients' budgets; and
  - Considerations when deciding to add new recipients to the waiver program.

### **Intended Outcomes for the Department in Managing the MR/RC Waiver**

Program goals for calendar year 2005 include improvements in managing the program to achieve the following: a stable budgeting process, increased consumer options, increased program integrity, and strengthened quality management.

### **Re-engineer State to County MR/RC budget process.**

A new budget methodology was introduced for the MR/RC Waiver program in January 2003. DHS will undertake a review of the budget methodology currently in place and