

# Making Sense of System Change, Part 3

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## **Disability Waiver Budget Management for Lead Agencies**



# Learning Objectives

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- Gain knowledge of fiscal management expected of lead agencies relative to disability waiver services
- Understand the risk of recoupment from lead agencies and strategies for reducing risk of recoupment
- Understand how lead agency budgets will be adjusted to account for the impact of the statewide disability waiver rates system
- Learn about recent statewide utilization trends across the disability waivers
- Learn about additional funding available for difficult to serve populations

# Send Questions to:

- [DSD.ResponseCenter@state.mn.us](mailto:DSD.ResponseCenter@state.mn.us)
- Please write “Video Conference” in the subject line to get the question directly routed to the presenter
- The PowerPoint of this presentation is available at the [Making Sense of System Change website](#)

# Waiver Basics

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- **DD Waiver**
  - Manage spending within budget
  - Uses a January through December budget year
- **CCB Waivers**
  - Three waivers managed in one budget
  - Manage authorizations within budget
  - Uses July through June fiscal year

# Lead Agency Expectations

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- Manage Access
- Manage Care Plans
- Manage Budget

# Lead Agency Expectations

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- Manage Access
  - Maintain a waiting list
  - Periodically reevaluate needs, choices, options
  - Prioritize for waiver access according to statute
  - Assure waitlist moves at a reasonable pace

# Lead Agency Expectations

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- **Manage Access Considerations**

- Are lead agency budget reserves adequate?
- Have you accounted for anticipated and unanticipated needs of current recipients?

# Lead Agency Expectations

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- **Manage Care Plans**

- Maximize use of state plan services
- Do not duplicate other services
- Do not deny, reduce, or terminate services without appeal notice
- Do not terminate services due to budget considerations

# Lead Agency Expectations

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- **Budget**

- Monitor your budget
- Use the Waiver Management System
- Project and manage your reserve

# Lead Agency Expectations

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- **Budget Considerations**

- Can service plan be met now AND sustained for the future?
- Annualize cost of service for next year
- Unmet needs for current recipients
- Other strategic needs
- Plan what to do if your reserve is too small – or large

# Managing Financial Risk

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- Staying Within Budget
- Underspending
- Costly Care Plans
- Impact of New Rates System



# Staying Within Budget

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- Statute
- Corrective Action Plan
- Recent Financial Performance
- Tips and Contact Info

# Staying Within Budget

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- Counties and tribal agencies are responsible for excess spending and/or excess authorizations above the state allocated budgets.

Reference: [MN 256B.0916, subd. 11](#) and [MN 256B.49, subd. 26](#)

# Staying Within Budget

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- **Corrective Action Plan (CAP)**
  - Get more time to control budget with an approved CAP
  - CAP Includes
    - Specific actions to take to control of overspending
    - Timetable for the actions
    - Indicators that will signify whether the plan is effective

# Staying Within Budget

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- MN Statute allows Lead Agencies to maintain a reserve amount ([DD](#)/[CCB](#)) to meet crises or other unmet needs of current recipients of home and community-based services
- County Specific
- Based on past experience and projected need
- Many lead agencies have significant reserve levels

# Staying Within Budget

## Recent Statewide Reserves

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- **DD Waiver:**  
**Percent of Allowed to Paid resources**

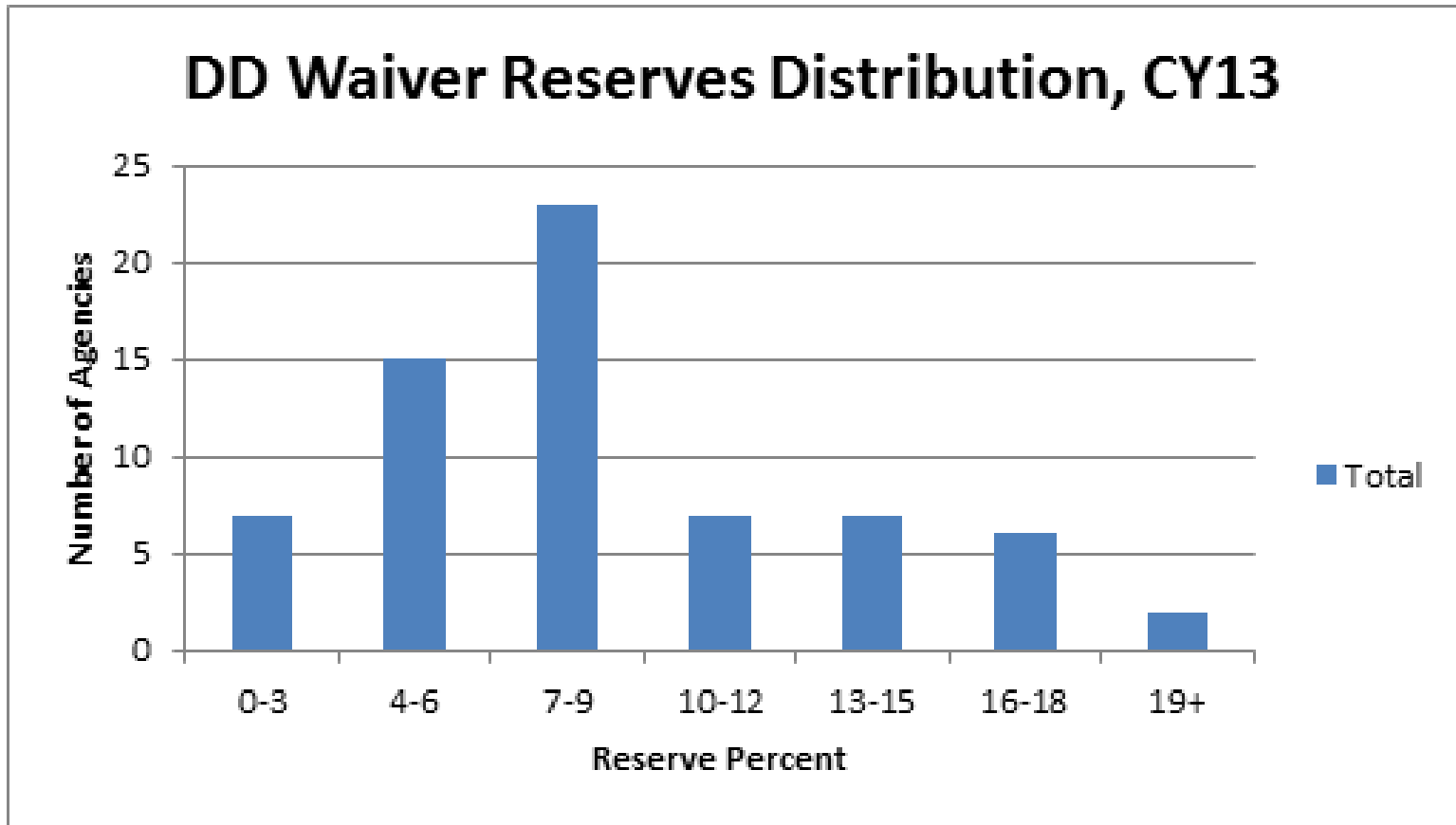
- 2011 7%
- 2012 7%
- 2013 7%

- **CCB Waivers:**  
**Percent of Allowed to Authorized resources**

- 2011 10%
- 2012 8%
- 2013 10%

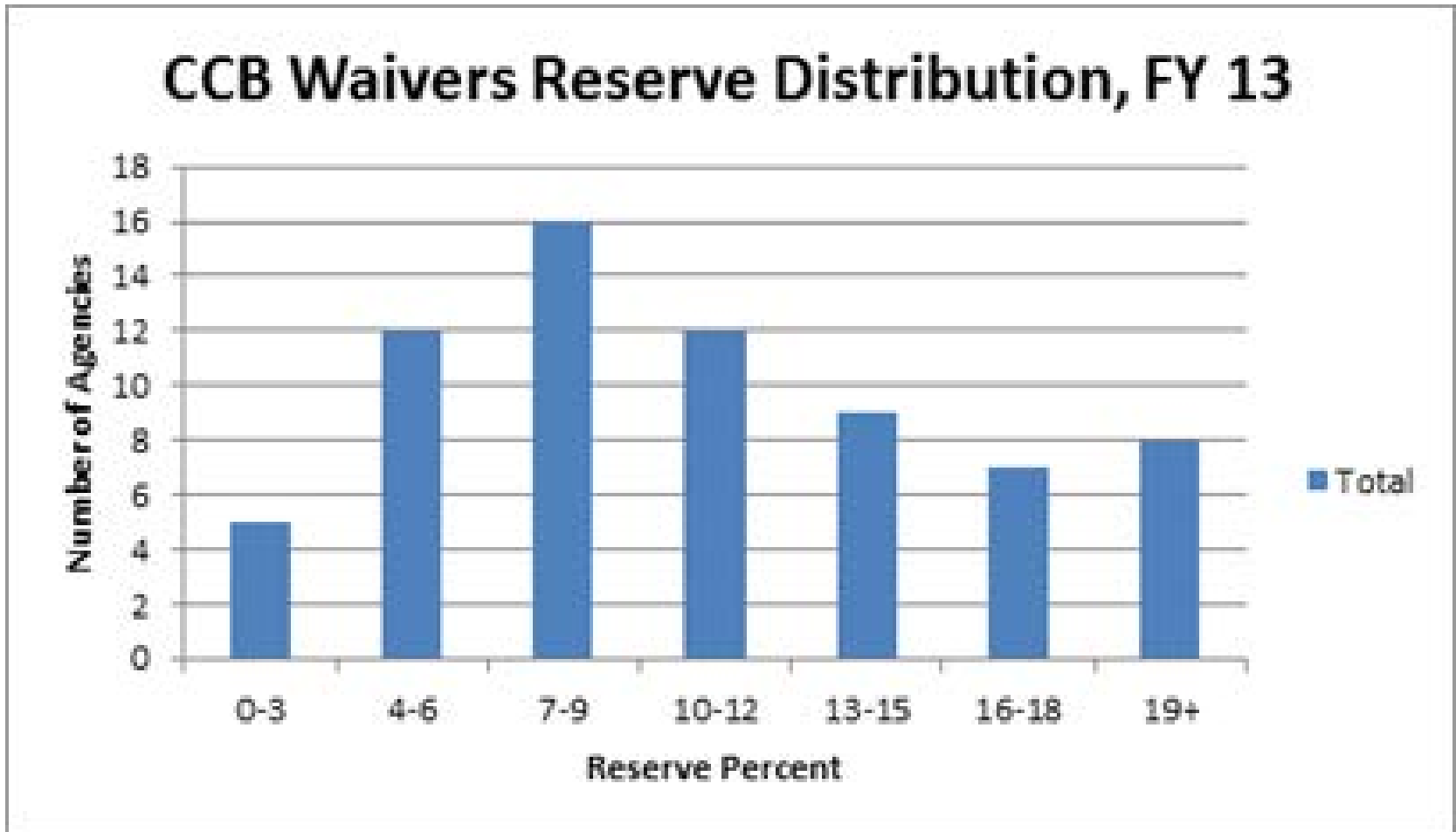
# Historic Reserve Levels

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# Historic Reserve Levels

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# Staying Within Budget

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- **A few tips**

- Make sure appropriate controls are in place
- Assign someone to monitor financial performance on a monthly basis
- Use the Waiver Management System to project reserves

# Staying Within Budget

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- **If you have budget management concerns**
  - Talk to your [Regional Resource Specialist](#)
  - RRS can consult with fiscal policy team to provide suggestions
  - RRS consult does not substitute for lead agency management

# Underspending

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- Underspending is a risk if there is unmet need
  - Wait List
  - Current Recipients

# Underspending

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- DHS has the authority to transfer funds between counties, groups of counties, and tribes to accommodate statewide priorities and resource needs while accounting for a necessary base level reserve amount for each agency.
- [MN Statute 256B.092, subdivision 12\(c\)](#)
- [MN Statute 256B.49, subdivision 11\(c\)](#)

# Costly Care Plans

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- Costly care plans can be a challenge
- Talk to your RRS to discuss your need and your options

# Transition Funding

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- Available for persons exiting AMRTC and MSH
- Make requests via your RRS
- Amounts are determined based on:
  - Cost of services outlined in the care plan
  - Prior budget adjustments
  - Funds remain available as long as need continues

# Safety Net Funding

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- Available to persons on the DD Waiver
- A statewide fund to address unexpected and significant changes in a participant's needs
- [Eligibility](#) requirements for both individual and lead agency
- Talk to your RRS for information or to request safety net funding

# DWRS Rate Exceptions

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- Lead agency must address ability to afford rate exceptions
- No budget increases tied to exceptions
- Overlap between transition and exception populations
- A more in-depth webinar on Exceptions coming: Dec 17<sup>th</sup> 10-noon (watch for an e-list announcement)

# Impact of Statewide Disability Waiver Rates System (DWRS)

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- All service authorizations in 2014 (implemented on a rolling basis) must use the DWRS
- Lead agencies must use the Rate Management System (RMS)
- For more information on DWRS and related supports go to [DWRS website](#)

# Changing the cost of services impacts budgets

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- Most rates can't change by more than 0.5% in 2014
- Banding will continue
  - +/- .5% in 2015
  - +/- 1% in 2016
  - +/- 1% in 2017
  - +/- 1% in 2018 and
  - Final framework rates in 2019

# Adjusting for DWRS

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- DHS is required to adjust county allocations to account for the impact of DWRS
- Adjustment will account for impact of changes on services that were authorized prior to DWRS implementation on 1/1/2014
- Cost of services will go up for some lead agencies – down for others

# Adjusting for DWRS

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- Data on 2014 fiscal impact by county will be finalized in 2015
- Current projections indicate impacts will be modest – well under the 0.5% maximum possible
- 2014 adjustments will be made when needed to mitigate potential recoupment
- Expect comprehensive adjustments as we move through banding

# DWRS Mentors

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- Each lead agency should have at least one mentor for CCB/DD
- Use your mentor as:
  - A subject matter expert
  - An oversight for overall budget effects
  - A liaison to DHS
  - A monitor/review of WMS entries

# How to Use WMS to manage your Budget

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# Ways WMS can help

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- Encumbrance and Payment Reports
- Simulations and Modeling
- Budget Projections

# Encumbrance Reports

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- Information on provider billings, county authorization practices, and capacity for using available dollars
- Overview of Authorized/Allowed to Paid %, including historical data
- Look for flexibility in how dollars are distributed/spent

# Simulations & Modeling

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- Simulations help you determine the effect of an action on your difference between allowable and authorized for current and future fiscal years
- Modeling helps you determine the effect on current and projected calendar years
- Helps determine resource capacity
- For persons exiting the waiver, remember to prorate and reduce service agreement line items and close the service agreement in MMIS

# Summary/Budget Details

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- View historic and projected budget details
- View budget changes and sources of budget adjustments
- Evaluate benefits and consequences of using a new, reuse, or service optimization allocation

# Disability Waiver Budget Management for Lead Agencies

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- If you are concerned about your waiver budget, contact your [RRS](#)
- Send questions about your budget to: [DSD.ResponseCenter@state.mn.us](mailto:DSD.ResponseCenter@state.mn.us)
- If you are have questions about serving persons with very complex needs contact the Community Capacity Building Team at [positivesupports@state.mn.us](mailto:positivesupports@state.mn.us)

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