Making Sense of System Change, Part 3

Disability Waiver Budget Management for Lead Agencies
Learning Objectives

- 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
- 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

● 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

- Manage Access
- Manage Care Plans
- Manage Budget
Lead Agency Expectations

- 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

- Manage Access Considerations
  - Are lead agency budget reserves adequate?
  - Have you accounted for anticipated and unanticipated needs of current recipients?
Lead Agency Expectations

- 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

● Budget
  ● Monitor your budget
  ● Use the Waiver Management System
  ● Project and manage your reserve
Lead Agency Expectations

- **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

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

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

- 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

● 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

- 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

- 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

DD Waiver Reserves Distribution, CY13
Historic Reserve Levels

CCB Waivers Reserve Distribution, FY 13

- Number of Agencies
- Reserve Percent
  - 0-3
  - 4-6
  - 7-9
  - 10-12
  - 13-15
  - 16-18
  - 19+

Total
Staying Within Budget

- 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

- 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

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

• 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

- Costly care plans can be a challenge

- Talk to your RRS to discuss your need and your options
Transition Funding

- 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

- 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

- 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 17th 10-noon (watch for an e-list announcement)
Impact of Statewide Disability Waiver Rates System (DWRS)

- 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

- 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

- 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

- 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 recoulement.
- Expect comprehensive adjustments as we move through banding.
DWRs Mentors

- 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
Ways WMS can help

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

- 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

- 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

- 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

- If you are concerned about your waiver budget, contact your RRS
- Send questions about your budget to: 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
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