



## DWRS Quarterly Meeting

March 27, 2024

- Welcome/overview
- Family residential services framework rate-setting
- 2026 family residential services rates
- Next meeting

# Family Residential Services Framework Rate-Setting

- Family residential services (FRS) rates are currently set using a Disability Waiver Rate System (DWRS) framework.
- The framework uses a combination of person-specific inputs that reflects the supports that a person needs, as well as the supports that the FRS provider will deliver.
  - These are often documented on the [6790C eDoc \(PDF\)](#).
- The supports that are included in a rate should reflect the support provided, on average, over the course of the service span.

# Service planning roles

- Lead agencies and providers have different roles in the rate-setting process:
  - Providers propose a level of support to meet the person's assessed needs.
  - If lead agencies agree with the proposed supports, they can “purchase” these supports.
  - If lead agencies disagree with the proposed supports, they can provide an alternative level of support to the provider.
  - The provider can choose whether to serve the person, or not, based on that level of support.
  - Lead agencies can choose to find a different provider.

# Delivery of supports

- Providers are expected to deliver the supports included within an FRS rate.
- These supports are part of the person's support plan.
- If a provider realizes they are unable to deliver the level of support included within a rate, they should work with the lead agency to revise the supports and rate.

- Shared staff daytime hours:
  - The average number of hours per day the person shares support with other people served in the home.
  - Time is entered in this field when the person providing support is:
    - Providing direct support to multiple people in the home.
    - Awake.
    - In the home.

- Shared staff overnight hours:
  - The average number of hours per day the person shares support with other people served in the home.
  - Time is entered in this field when the person providing support is:
    - Providing direct support to multiple people in the home.
    - Asleep.
    - In the home.

- Does the person require awake overnight staff?
  - “Yes” should be selected if the person requires overnight support from a person who is awake.
  - Note: If there is only one caregiver providing support in the home continuously, they cannot only provide awake support time.
- How many residents require awake overnight staff?
  - Enter the number of people in the home who share awake overnight support.

- Shared remote awake hours
  - The hours per day that people share real-time electronic monitoring.
- Number of remote monitored residents
  - The number of people in the home who share real-time electronic monitoring.
- Note: Remote support in FRS is very rare, given the nature of how FRS services are provided.

- Individual staff daytime hours:
  - The average number of hours per day the person has a 1:1 awake staff who is not available to others living in the home.
  - Time is entered in this field when the person providing support is:
    - Providing direct support to only one person in the home.
    - Awake.
    - In the home.
- Note: One staff person cannot simultaneously provide shared and individual staffing.

- Individual staff overnight hours:
  - The average number of hours per day the person has a 1:1 asleep staff who is not available to others living in the home.
  - Time is entered in this field when the person providing support is:
    - Providing direct support to only one person in the home.
    - Asleep.
    - In the home.
- Note: One staff person cannot simultaneously provide shared and individual staffing.

# Staffing hours considerations

- Hours should **not** be included for time when the person:
  - Is able, or wants, to be alone AND
  - Does not need staff to respond.
- Example: After dinner, Jeff typically likes to spend about 2 hours reading comics by himself in his bedroom. During this time, Jeff's provider watches television in the living room.
- In the above example, these 2 hours would not be included in the rate calculation.

- Licensed practical nurse (LPN)/registered nurse (RN) time
  - The number of hours per day that include 1:1 assessment and treatment by an LPN or RN.
- Note: Time entered in these fields refer to assessment and treatment provided by an LPN or RN that cannot be delegated to others.
- Time spent performing activities that are performed by nurses, but are not nursing supports, should not be entered in these fields.

- Individual remote awake hours
  - The hours per day that people receives real-time electronic monitoring on 1:1 basis.
- Note: Remote support in FRS is very rare, given the nature of how FRS services are provided.

- Transportation
  - Options include no transportation being used by anyone in the home, a standard vehicle being used by at least one person in the home, or an adapted vehicle with a lift is used by at least one person in the home.
  - Entry is based upon the needs of the resident with the greatest needs.
- Customization for people who meet deaf or hard of hearing criteria, as defined in the [RMS User Manual](#).

# How do inputs relate to each other?

- Providers and lead agencies should be thoughtful about how each input relates to others in a person's rate, as well as the supports delivered to other residents.
- People providing support have to sleep. One person cannot deliver 24 hours of awake staffing.
- Providers should consider all residents needs when providing inputs for one person.
  - Example: If two people are served in a home where one provider delivers support, both people can't have 16 hours of individual awake staffing.

- I don't think the provider is delivering the support hours that are included within their rate. What should I do?
  - Reach out to the provider and share your concerns. Ask if the provider needs to adjust the hours within their rate to reflect what supports the person receives.
  - Connect with other case managers of people who are served in the same home (as applicable). Do they have the same concerns?
- The provider wants 1:1 hours for a person, but I don't think they need that level of support. What should I enter in the rate?
  - Remember that rates reflect what a person needs, as well as what the provider delivers. A lead agency can choose to purchase more intensive staffing if it benefits the person.

- I am unable to provide the level of support included within my rate. What should I do?
  - Reach out to the case manager to have a conversation about supporting the person.
  - Can the person be adequately supported with fewer support hours? If so, you should adjust the rate to reflect fewer support hours.
  - Does the person require more support than you can provide in your home? If so, then it may be time for the person and their case manager to explore other options to support the person.

- I serve two people in my home but have a licensed capacity of three. Should I change my licensed capacity to adjust my rate?
  - Changes to licensed capacity should reflect the number of people a home intends on serving. These changes should not happen solely to modify a rate.

- [Quick reference guide on FRS staffing business rules](#)
- [Service planning and authorization guidelines](#)
- [6790 residential fields](#)

Let's pause to  
review the chat

# 2026 FRS Tiered Rates

# Concerns with current approach

- The current FRS framework is a poor fit with the service and how it is delivered:
  - Reliant on “staffing hours” information in a setting that frequently does not use direct care staff.
  - Difficult to differentiate between support hours and non-support hours hours when the primary caretaker lives in the home.
- Rate inputs should reflect needs of the person, but FRS data shows otherwise.
- Cost reporting data shows significantly higher revenue than costs.
  - Inconsistent with federal requirement for “efficient” rates.

# Concerns with current approach

- Complex and time-consuming for both lead agencies and FRS providers.
- Enhanced compliance risk for FRS providers.
- Difficulty complying with cost reporting requirements.

# What are tiered rates?

- FRS rate is set based on a person's annual MnCHOICES assessment.
- Person's rate is consistent regardless of provider or county in which the person resides.
- Rate tiers align with future Waiver Reimagine support ranges.
- Rates will be updated every two years to account for changes in inflation.
- Recommended rates have been increased since 2020 legislative report.

# Tiers and rates

Tier	Assessment information	2026 FRS rate
1	Low ADL and IADL support needs; typical health and behavioral needs	\$154.32
2	Moderate ADL and IADL support needs; typical health and behavioral needs	\$186.70
L	Low/moderate ADL and IADL support needs; high health and/or behavioral needs	\$201.89
3	High ADL and IADL support needs; typical health and behavioral needs	\$243.22
4	Extensive ADL and IADL support needs; typical health and behavioral needs	\$243.22
H and E	High/extensive ADL and IADL support needs; high health and/or behavioral needs	\$304.62

# Why use tiered rates?

- Align rates with a person's assessed needs.
- Remove DWRS cost reporting burden from FRS providers.
- Rate no longer reliant on staffing information.
- Rate input compliance risk no longer applies.
- Consistent with, but more flexible than, how most states set rates for this service.

# Implementation

- DHS must seek federal approval for this change – likely in 2025.
- Under current law, tiered rates will be implemented in 2026 as a person's service agreement renews.
- Person's rate will be based on their MnCHOICES assessment preceding the service agreement.
- DHS is considering how clear information can be shared with people, families, lead agencies, and providers before this change is implemented.

# Common questions

- Why can't DHS share rates in advance, like during the banding period?
  - Revised MnCHOICES assessment rolling out now. Rate tiers are based on previous version of the assessment and must be recalibrated with the new version prior to implementation.
  - Many peoples' needs (and as a result, their assessment) will change before the rate tiers are implemented. A person's assumed rate may not be realized when implementation occurs.
  - DHS wants to avoid creating confusion related to FRS rate changes that are scheduled before 2026.

# Common questions

- Why won't there be rate exceptions with the rate tiers?
  - Rate exceptions are applied to specific component values, but the rate tiers don't use component values.
  - Rate exceptions are based on a person's assessed need. Since the rate tiers are already based on the person's assessed need, the state has identified the FRS rate it will pay for this person.
  - Consistent with the state's approach to other pre-determined rates.

Let's pause to review the  
chat

Thank you!

Next webinar: Wednesday, June 25