

Subject Personal Care Assistance (PCA) Payment Rate Methodology

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Overview

This bill creates: (1) a new payment methodology for the Medical Assistance (MA) Personal Care Assistance (PCA) program; and (2) an enhanced rate for enhanced care PCA services. The new payment methodology being created is based on federal Bureau of Labor Statistics wage data and various other component values associated with the costs of providing PCA services, similar to the payment rate system used for the disability waivers known as the Disability Waiver Rate System (DWRS). The new system would: (1) replace the current rate-on-rate reimbursement system for PCA services; and (2) be effective January 1, 2020, or upon federal approval, whichever is later.

Summary

Section	Description
1	<p>Definitions.</p> <p>Amends § 256B.0659, subd. 1. Defines the terms “commissioner,” “component value,” “enhanced care PCA services,” “median,” and “qualified professional service” under the PCA program. Makes technical and conforming changes. Makes this section effective January 1, 2020, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor when approval is obtained.</p>
2	<p>Personal care assistant; requirements.</p> <p>Amends § 256B.0659, subd. 11. Adds paragraph (d), which requires PCAs providing enhanced care PCA services to satisfy certain requirements. Makes this section effective January 1, 2020, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor when approval is obtained.</p>
3	<p>Requirements for provider enrollment of PCA provider agencies.</p> <p>Amends § 256B.0659, subd. 21. Adds to the PCA provider agency documentation requirements by requiring documentation that PCAs providing enhanced care PCA services meet the training requirements described in statute. Makes this section effective January 1, 2020, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor when approval is obtained.</p>

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4	<p>PCA provider agency; general duties.</p> <p>Amends § 256B.0659, subd. 24. Requires PCA provider agencies to document that for PCAs who are providing enhanced care PCA services, the additional revenue the agency receives from MA as a result of the differential between the rate for enhanced care PCA services and PCA services is passed through to the PCA in the form of wages and benefits. Makes this section effective January 1, 2020, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor when approval is obtained.</p>
5	<p>PCA provider agency; required documentation.</p> <p>Amends § 256B.0659, subd. 28. Modifies the list of required documentation by adding verification of the completion of the training required for enhanced care PCA services if those services are provided and submitted for MA reimbursement. Makes this section effective January 1, 2020, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor when approval is obtained.</p>
6	<p>Payment rates; application generally.</p> <p>Amends § 256B.0659, by adding subd. 32. Applies the payment methodologies in subdivisions 32 to 36 to PCA services, enhanced care PCA services, qualified professional services, and community first services and supports. Makes this section effective January 1, 2020, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor when approval is obtained.</p>
7	<p>Payment rates; base wage index.</p> <p>Amends § 256B.0659, by adding subd. 33. Paragraph (a) requires the commissioner to use the Minnesota-specific median wage for the standard occupational classification (SOC) codes published by the federal Bureau of Labor Statistics in the most recent edition of the Occupational Handbook when establishing the base wage component values. Specifies the calculations for the wage component values.</p> <p>Paragraph (b) requires the commissioner to: (1) on January 1, 2022, and every two years thereafter, update the base wage component values based on the wage data by SOC from the Bureau of Labor Statistics available one year and a day prior to the scheduled update; and (2) publish the updated base wage component values.</p> <p>Makes this section effective January 1, 2020, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor when approval is obtained.</p>
8	<p>Payment rates; total wage index.</p> <p>Amends § 256B.0659, by adding subd. 34. Paragraph (a) describes the calculation to determine the total wage component value.</p>

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	<p>Paragraph (b) sets the competitive workforce factor at eight percent for PCA services and enhanced care PCA services.</p> <p>Paragraph (c) sets the competitive workforce factor at zero for qualified professional services.</p> <p>Paragraph (d) requires the commissioner to adjust the competitive workforce factor in paragraph (b) on January 1, 2022, and every two years thereafter. Describes the calculation for making the biennial adjustments to the competitive workforce factor. Limits the change in the competitive workforce factor from one adjustment to the next to no more than three percent. Requires the commissioner to publish the updated competitive workforce factor value.</p> <p>Makes this section effective January 1, 2020, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor when approval is obtained.</p>
9	<p>Payment rates; standard component values.</p> <p>Amends § 256B.0659, by adding subd. 35. Sets component values to be used in the payment methodology. Makes this section effective January 1, 2020, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor when approval is obtained.</p>
10	<p>Payment rates; rate determination.</p> <p>Amends § 256B.0659, by adding subd. 36. Paragraph (a) specifies how the commissioner must calculate the total payment rate for each service.</p> <p>Paragraph (b) requires the commissioner to publish the total payment rates.</p> <p>Makes this section effective January 1, 2020, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor when federal approval is obtained.</p>
11	<p>PCA provider agency; required reporting and analysis of cost data.</p> <p>Amends § 256B.0659, by adding subd. 37. Paragraph (a) requires the commissioner to: (1) evaluate whether the base wage component values and other component values appropriately address the cost to provide the service; and (2) make recommendations to adjust the rate methodology as indicated by the evaluation. Requires providers to submit cost data to the commissioner. Lists the data that must be submitted.</p> <p>Paragraph (b) specifies the timeline for submitting data and gives the commissioner the authority to temporarily suspend payments to a provider who fails to submit cost data in a timely manner.</p>

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	<p>Paragraph (c) requires the commissioner to: (1) conduct randomized validation of the data submitted by providers to ensure data accuracy; and (2) analyze cost documentation and provide recommendations for adjustments to cost components.</p> <p>Paragraph (d) requires the commissioner to: (1) submit recommendations on component values and other factors to the legislature in conjunction with reports submitted to the legislature under the DWRS; and (2) release cost data in an aggregate form.</p> <p>Paragraph (e) requires the commissioner to develop and implement a process for providing training and technical assistance necessary to support provider submission of cost documentation.</p> <p>Makes this section effective January 1, 2020, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor when federal approval is obtained.</p>
12	<p>Payment rates evaluation.</p> <p>Amends § 256B.0659, by adding subd. 38. Requires the commissioner to: (1) submit an initial report on the rate methodology to the legislature on August 1, 2022; and (2) assess the impact of the rate methodology on the PCA workforce and submit a report to the legislature on August 1, 2025. Sunsets this subdivision on August 1, 2025, or upon the date the commissioner submits the legislative report due on August 1, 2025, whichever is later.</p> <p>Makes this section effective January 1, 2020, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor when federal approval is obtained.</p>
13	<p>Direct Care Workforce Report.</p> <p>Creates § 256B.0715. Requires the commissioner to annually assess the direct care workforce and publish findings in a report each August beginning August 1, 2020. Specifies the information that must be considered in preparing the report. Makes this section effective the day following final enactment.</p>
14	<p>Elderly waiver cost limits.</p> <p>Amends § 256B.0915, subd. 3a. Adds paragraph (f), which requires the commissioner to approve exceptions to the elderly waiver monthly case mix budget caps to account for any increase in the rates due to the enhanced care PCA services rate. Makes this section effective January 1, 2020, or upon federal approval, whichever is later. Requires the commissioner of human services to notify the revisor when federal approval is obtained.</p>
15	<p>Managed care contracts.</p> <p>Amends § 256B.69, subd. 5a. Requires managed care plans to inform the commissioner and the legislature of the amount of any rate increase the managed care plans pay to PCA</p>

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	provider agencies following any rate increase provided under the new PCA payment rate methodology. Makes this section effective the day following final enactment.



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