



Minnesota Department of **Human Services**

Fast Facts:
2015 Legislative Session

Promoting innovation in long-term care purchasing and financing

The country is experiencing a demographic shift, and by 2020 Minnesota will have more people over age 65 than school-age children. People are living longer and most will need long-term services and supports as they age. Right now the traditional ways of paying for long-term services and supports will not be adequate for people to make the most of their later years.

The fiscal year 2016-2017 budget continues the great strides of the past four years in our efforts to transform our nation-leading long-term care system. It not only makes a substantial \$138 million investment in nursing home facilities, but, just as importantly, reforms the payment structure to emphasize quality services. Additionally it provides funding for a home and community based services (HCBS) innovation pool to promote creative service delivery in our HCBS programs.

2015 legislation:

Nursing facility payment reform and workforce development. Nursing facilities across Minnesota are struggling to keep pace with rising costs and retaining their workforce. This new funding will give badly needed increases by basing nursing facility payment rates on actual annual costs, as well as reform the payment system so it is tied more tightly to quality measures. Nursing facilities will also get additional help covering employee health insurance costs. This provision will also expand the nursing facility employee scholarship program and staff will be eligible after working fewer hours for funds that can be used to pay student loans and for other direct educational expenses. **FY16/17: \$138.2 million.**

Long-term care purchasing innovation. With a competitive bidding process, the Department of Human Services will contract with long-term care providers and offer incentives for achieving specified outcomes for people with disabilities, including competitive employment and living in the most integrated setting in the community. This program is expected to serve 600 people. **FY16/17: \$1.4 million.**

ABLE (Achieving a Better Life Experience) Act implementation. Minnesota has new funding to implement this federal legislation, which allows people with disabilities to have savings accounts that are not considered when eligibility for Medicaid programs is determined. The ABLE Act encourages people with disabilities to save private funds so they do not struggle with daily living expenses and are able to maintain health, independence and quality of life. **FY16/17: \$105,000**

DHS Communications: June 2015