



ARRM

**QUICK
FACTS**



Effective

TBD, BUT NO EARLIER THAN
JAN. 1, 2020



New funding

CALCULATED ON A RATE BY RATE
BASIS, AVG. 4% OVERALL
INCREASE TO SYSTEM



Transparency

TRACK AND REPORT
DISTRIBUTION OF NEW REVENUES

Competitive Workforce Factor: Finance and reporting 2019 Legislative Session

The Basics

Legislation creates a new component in DWRS targeted towards increasing DSP wages

A 4.7 percent Competitive Workforce Factor (CWF) is added to the direct staffing cost portion of the Disability Waiver Rate Setting (DWRS) frameworks.

It is estimated the system will receive a 4 percent average overall rate increase, generating \$64.2 million in new revenue.

It is the intent of the Legislature and HCBS stakeholders that CWF-related revenue be directed towards increasing DSP wages to begin to close the 17 percent wage gap with comparable positions.

The CWF effect does not go into effect until Jan. 1, 2020, or when the Centers for Medicare and Medicaid Services approves the new changes, whichever is later.

The Calculation

Provider organizations will need to assess the impact of the CWF on each rate they receive, both for forecasting and for required reporting.

The CWF increases the only the direct staffing portion of a DWRS framework, before other components are added in.

To calculate the new DWRS rate, multiply the final direct staffing total in a framework by 1.047, then complete the remainder of the framework.

In addition to identifying the new DWRS rates, providers will need to analyze the total amount of new revenue generated by the CWF and the overall percent increase to rates.

Reporting and encumbrance

Providers are required to be transparent about how new revenues from the CWF are being used.

The new legislation DOES NOT REQUIRE an encumbrance of any new revenue for DSP wages and benefits.

It DOES REQUIRE providers to identify what additional revenues are generated from the CWF and prepare a written distribution plan for them, which must then be available and accessible to all direct care staff for at least a year.

The Minnesota Department of Human Services (DHS) is also required to analyze and report to the Legislature on the impact of CWF every two years.

As of June 2019, DHS is developing but has not issued guidance on what format the reports to staff on CWF revenue usage must take, or the exact information to be included.



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ABOUT ARRM

ARRM is an association of providers, businesses and advocates dedicated to leading the advancement of community-based services that support people with disabilities in their pursuit of meaningful lives. We represent 160 providers who employ roughly 30,000 people. They provide supports for thousands of Minnesotans with developmental and physical disabilities, brain injury, mental illness and autism.

Contact ARRM for more information about Home and Community-Based Services that support Minnesotans with disabilities.

For specific questions on ARRM's public policy agenda, contact:

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