

## S.F. No. 497 – Personal Care Assistance Agencies Enrollment Requirements - as Amended by the A-2 Author’s Amendment

**Author:** Senator Paul J. Utke

**Prepared by:** Liam Monahan, Legislative Analyst (651/296-1791)

**Date:** February 18, 2021

---

### Article 1: PERSONAL CARE ASSISTANCE SERVICES PROGRAM INTEGRITY

Section 1 [**256B.0625, subdivision 11b**] requires PCAs to notify the commissioner whenever the PCA ceases employment with a PCA agency.

Section 2 (**256B.0650, subdivision 14, paragraph (a)**) clarifies that a qualified professional (QP) who is supervising PCAs must be enrolled with DHS.

**Paragraph (i)** requires QPs to notify DHS whenever the QP ceases employment with a PCA agency.

Section 3 [**256B.0659, subdivision 14a**] requires documentation of qualified professional supervision of PCAs, and requires the documentation to include the QPs full name and provider number.

Section 4 (**256b.0659, subdivision 21, paragraph (a)**) makes grammatical changes.

**Clause (6)** requires a PCA agency to submit to DHS its policy regarding fraud prevention and record-keeping compliance.

**Clause (14)** requires a PCA agency to submit to DHS a copy of its internal program integrity procedures.

**Clauses (15) and (16)** require a PCA agency to submit to DHS copies of its policies regarding notifying its employees of each employee’s obligation to notify DHS if the employee ceases employment with the agency.

**Paragraph (b)** strikes obsolete language.

**Paragraph (c)** requires PCA agency employees holding management or supervisory roles to repeat existing mandatory training every two years. Paragraph (c) also strikes obsolete language.

**Paragraph (d)** increases to annually the frequency at which a PCA agency must submit to DHS proof of surety bond coverage, fidelity bond coverage, workers' compensation insurance coverage, and liability insurance coverage.

**Paragraph (f)** requires PCA agencies enrolling for the first time to submit to DHS documentation proving the agency has sufficient operating capital to fulfill its statutory obligations.

**Paragraph (g)** requires PCA agencies to submit to DHS upon revalidation documentation of its payroll paid during the prior 12 months, and documentation that the agency is fulfilling its existing obligation to use at least 72.5 percent of its revenue generated from the medical assistance rate paid for PCA services for employee PCA wages and benefits.

Section 5 (**256B.0659, subdivision 24, clauses (17) and (18)**) requires PCA agencies to notify DHS whenever a qualified professional or PCA ceases employment with the agency.

Section 6 (**256B.85, subdivision 10**) requires community first services and supports (CFSS) agency-provider and financial management services providers to notify the commissioner whenever a support worker ceases employment with an agency-provider or with a participant employer.

Section 7 (**256B.85, subdivision 12, paragraph (a)**) makes grammatical changes.

**Clause (7)** requires a CFSS agency-provider to submit to DHS its policy regarding fraud prevention and record keeping compliance.

**Clause (15)** requires a CFSS agency-provider to submit to DHS a copy of its internal program integrity procedures.

**Clause (16)** requires a CFSS agency-provider to submit to DHS copies of its policies regarding notifying its employees of each employee's obligation to notify DHS if the employee ceases employment with the agency-provider.

**Paragraph (b)** increases to annually the frequency at which a PCA agency must submit to DHS proof of surety bond coverage, fidelity bond coverage, workers' compensation insurance coverage, and liability insurance coverage.

**Paragraph (c)** requires CFSS agency-provider employees holding management or supervisory roles to repeat existing mandatory training every two years.

**Paragraph (e)** requires CFSS agency-providers enrolling for the first time to submit to DHS documentation proving that the agency has sufficient operating capital to fulfill its statutory obligations.

**Paragraph (f)** requires CFSS agency-providers to submit to DHS upon revalidation documentation of its payroll paid during the prior 12 months, and documentation that the agency-provider is fulfilling its existing obligation to use at least 72.5 percent of its revenue generated from the medical assistance rate paid for CFSS for support worker wages and benefits.

Section 8 (**256B.85, subdivision 16, paragraph (f)**) requires support workers to notify the commissioner whenever a support worker ceases employment with an agency-provider or with a participant employer.

## **Article 2: PERSONAL CARE ASSISTANT RATE REFORM**

Section 1 (**256B.69, subdivision 5a**) requires managed care plans to inform the commissioner and the legislature of the amount of the rate increase that the managed care plan pays to each PCA agency with which the plan has a contract.

Section 2 (**256B.85, subdivision 2**) extends the applicability of the definitions for the statutory section governing the community first services and supports (CFSS) program to the statutory section governing rates for PCA services and CFSS.

Section 3 [**256B.851**] establishes a fee schedule rate methodology for personal care assistance services and community first services and supports. A fee schedule rate methodology described in this statutory section is similar to the rate methodologies that are used for the disability waivers and the elderly waiver.

**Subdivision 1** specifies the services that are covered by the new rate methodology.

**Subdivision 2** provides definitions, in addition to the applicable definitions from section 256B.85, that apply to this statutory section.

**Subdivision 3** establishes an initial base wage for all the covered services equal to the median wage for personal care aides in Minnesota.

**Subdivision 4** establishes a statutorily required biennial update to the base wage beginning July 1, 2022.

**Subdivision 5** establishes a competitive wage factor, which when applied to the base wage index, will increase the base wage by the percentage indicated.

**Subdivision 6** establishes a statutorily required biennial increase to the competitive workforce factor of no more than one percentage point beginning July 1, 2022.

**Subdivision 7** establishes the standard component values for nonwage costs associated with providing PCA services and CFSS.

**Subdivision 8** uses the standard component values listed in subdivision 7 to build a total 15-minute unit rate.

**Clause (8)** establishes the enhanced PCA and enhanced CFSS rates.

**Subdivision 9** clarifies that the rate methodology described in this statutory section does not affect the state's existing agreements with the exclusive representative of individual providers nor with the state's obligation to meet and negotiate with the exclusive representative in the future.

**Subdivisions 10 to 12** require PCA agencies to submit cost data to DHS, require DHS to analyze the submitted data, and require DHS to submit two reports to the legislature. The first report must include recommendations based on submitted cost data for changes to the standard component values. The second report must assess the long-term impact of the implementation of the new rate methodology on the direct care staff providing PCA services.

Section 4 (**256S.18, subdivision 7**) makes conforming changes to the elderly waiver monthly case mix budget cap exception to permit a higher budget cap for individuals on the elderly waiver who are receiving PCA or CFSS services eligible for an enhanced rate.