

Bulletin

August 3, 2007

Minnesota Department of Human Services □ P.O. Box 64941 □ St. Paul, MN 55164-0941

OF INTEREST TO

- County Directors
- Social Services Supervisors and Staff
- Financial Assistance Supervisors and Staff
- County Contract Managers
- Group Residential Housing Providers

ACTION/DUE DATE

Please read information and use for reference.

EXPIRATION DATE

August 3, 2009

Group Residential Housing (GRH) Annual Rate Change and Legislative Rate Changes

TOPIC

Group Residential Housing.

PURPOSE

Describe the GRH annual rate calculation and the implementation of legislated rate changes.

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SIGNED

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I. BACKGROUND

Prior to the implementation of the Group Residential Housing (GRH) program, Minnesota had provided, and still provides, an optional state supplement to Supplemental Security Income (SSI). This optional state supplement is the Minnesota Supplemental Aid (MSA) program. When developed, the GRH program was designed to provide basic economic support for elderly and adult disabled individuals with conditions that required they live in group home settings that provided both room and board. To calculate the GRH standard, the SSI standard plus MSA standard was used, plus the addition of the maximum Food Stamp allotment of the Thrifty Food Plan for an individual living in the community. The GRH room and board standard is identified in Minnesota Statute section 256I.03, Subd. 5, as the MSA Equivalent Rate.

II. GRH ROOM AND BOARD RATE CALCULATION

The use of the MSA Equivalent Rate as the GRH standard makes the GRH room and board rate an optional state supplement to SSI. An optional state supplement is governed by a Maintenance of Effort Agreement (MOE) between Minnesota and the Social Security Administration. Under the MOE, a Minnesota resident receiving a state paid optional supplement, may not receive less in the current year than would have been received in the previous year. To meet this requirement, Minnesota passes along the annual inflation adjustments to the components of the MSA Equivalent Rate on July 1 of each year. The following examples show how these adjustments affect the GRH room and board rate:

GRH Base Rate 7/1/06		GRH Base Rate 7/1/07	
SSI Federal Benefit Rate	603	SSI Federal Benefit Rate	623
less GRH disregard	<u>20</u>	less GRH disregard	<u>20</u>
	583		603
plus MN Supplemental Aid (MSA)	<u>81</u>	plus MN Supplemental Aid (MSA)	<u>81</u>
	664		684
plus Food Stamp Allotment	<u>152</u>	plus Food Stamp Allotment	<u>155</u>
Total	816	Total	839
less Personal Needs	<u>79</u>	less Personal Needs	<u>82</u>
GRH Room and Board Rate	737	GRH Room and Board Rate	757

From 2006 to 2007, the SSI Federal Benefit Rate increased by \$20. The Food Stamp Allotment increased by \$3. The Personal Needs Allowance increased by \$3. MSA and the GRH disregard remain constant from year to year and do not affect the change in the annual rate.

Each of the components of the MSA Equivalent Rate change at different times of the year; regardless, the annual change in the GRH room and board rate does not occur until July 1. To know in advance what the component changes are, see the Combined Manual as follows:

- Maximum Food Stamp allotment amount CM 22.12.01
- SSI Federal Benefit Rate CM 29.06.03
- Personal Needs and Clothing allowance CM 20.24

By reviewing the changes presented in the Combined Manual after January 1 of each year and inserting those new amounts in the above calculation, the GRH room and board rate may be determined in advance of the July 1 change.

III. GRH Service Rates

In addition to the base GRH room and board rate, some GRH settings also receive a GRH Supplementary Service Rate. There is a moratorium on the development of additional beds that can receive the Supplementary Service Rate, which means that vendors who receive that rate were either in place when GRH was implemented or have been added by subsequent facility-specific legislation. The statutory maximum amount of the Supplementary Service Rate effective as of July 1, 2007 was \$477.58. This maximum has been established by legislative adjustments in the original maximum that was in effect in 1993.

Since 2003, legislative changes in this rate have had an effective date of October 1 of the year in which they were passed. In both 2005 and 2006 an increase of just over two percent was implemented on October 1 of each year. **In 2007 and 2008 an additional two percent increase will be added each October 1.** If a provider is currently at the maximum of \$477.58, the increase in that rate will be \$9.55. If provider is below the maximum or above the maximum, the dollar amount of the rate change will be lower or higher accordingly. The procedure followed by the department is to make these changes automatically through the MAXIS payment system. These adjustments are only to the Supplementary Service Rate (Rate 2 in MAXIS) and do not affect the GRH room and board rate.

The GRH Difficulty of Care Rate (DOC) is established as a function of the Supplementary Service Rate. This rate is only available to adult foster care providers for necessary services that are not otherwise eligible for payment by a community-based waiver. The GRH statute states that DOC cannot exceed the Supplementary Service Rate. As a result, the DOC payment is automatically adjusted through the MAXIS payment system each time there is an increase in the Supplementary Service rate.

Special Needs

This information is available in other forms to people with disabilities by contacting us at 651-431-3809, or through the Minnesota Relay Service at 1-800-627-3529 (TDD), 7-1-1 or 1-877-627-3848 (speech to speech relay service).