#07-56-03

Bulletin

October 15, 2007

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

OF INTEREST TO

- County Directors
- DD Waiver Supervisors and Staff

ACTION/DUE DATE

Please review and implement as stated.

EXPIRATION DATE

October 15, 2009

Announcing the New State-to-County Budget Allocation Methodology for the DD Waiver

TOPIC

State-to-county budget allocation methodology for the waiver for persons with Developmental Disabilities (DD.)

PURPOSE

Announce and provide instructions to counties on the new state-to-county budget allocation methodology for the DD waiver.

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Background

In June 2003, the Legislative Audit Commission directed the Office of the Legislative Auditor to evaluate the Medicaid Home and Community-Based Waiver programs, in particular the waiver for persons with mental retardation or related conditions (MR/RC). After completing the evaluation of the MR/RC waiver, the Office of the Legislative Auditor made the following recommendations:

"The Department of Human Services should change its method of allocating MR/RC Waiver funds to counties to better reflect characteristics of caseloads and differences in key factors, such as living arrangement, that drive costs. Waiver recipients' age correlates strongly with living arrangement and could be used in the methodology. In addition, the method should avoid incentives to spend to the limit and reduce administrative burdens on counties." Report # 04-03, pg 11

In response to these recommendations, the Department of Human Services (DHS) contracted with Johnston, Villegas-Grubbs and Associates LLC to design a state-to-county resource allocation methodology for the Mental Retardation/Related Condition Medicaid Waiver program. The product uses a methodology designed to provide access to and distribution of resources necessary to meet waiver requirements, while assuring state budget integrity. Johnston, Villegas-Grubbs and Associates LLC (JVGA) gathered input from consumers, stakeholders and counties as part of the design process. In May of 2005, JVGA released a final report which detailed its recommendations. This final report and its appendices can be found on the DHS website at:

http://www.dhs.state.mn.us/id_051667

The new methodology was developed with a considerable amount of data analysis and stakeholder input including consumer focus groups, meetings with county staff, and stakeholder work groups. The new methodology better accounts for the changing needs of enrollees by using participant living arrangement and age data in the formula.

On April 27, 2007, DHS received notice that the Centers for Medicare and Medicaid Services (CMS) approved the waiver amendment to revise the state-to-county budget methodology for the waiver for persons with developmental disabilities (DD), previously known as the MR/RC Waiver. The Waiver Amendment Language for the new DD State to County Budget Allocation Methodology is found at:

http://www.dhs.state.mn.us/main/groups/disabilities/documents/pub/dhs16_139258.pdf

This bulletin describes the different components of the new methodology in detail and contains several tools to assist with the county management of their aggregate budget within the new allocation methodology. The new allocation methodology has a **staggered timeline for implementation**. Please see the timeline on pages 10 – 11 for an implementation timeline.

Allocation Components

DHS establishes and adjusts allocations for each county and county alliance. (County alliances will be referred to as counties throughout the bulletin.) The allocation is the maximum, aggregate amount of Medical Assistance funding for waiver and home care services for all participants who are the financial responsibility of each county. The new state to county budget allocation methodology will build county budgets using the following components:

Component Definitions:

- Daily weighted average cell value
  The daily weighted average refers to six age brackets that reflect waiver service costs including those related to place of residence. For each county, the average daily expenditures for waiver and home care services are divided into categories based on residence and age. Expenditure data is sorted into eight residential settings that represent all residential options covered by the waiver. The data is then divided into six age brackets which represent ages that significant service changes occur. An average is taken to represent the mean cost for a county to provide services to a participant by age.
  Sample county daily weighted average cell values:

Residential Settings →	Foster Care Shift Staff	Foster Care Live In Caregiver	Residence - other	Own Home < 24 Hour Support	Own Home 24 Hour Support	Family Foster Care	Familial Home	All Other	Average
Age 61 +	$220	$188	$82	$96	$216	$118	$86	$198	$172
Age 41 - 60	$216	$182	$147	$89	$144	$112	$90	$188	$168
Age 22 - 40	$217	$185	$114	$80	$119	$121	$85	$191	$159
Age 14 - 21	$216	$182	$125	$72	$133	$119	$82	$154	$149
Age 7 - 13	$210	$194	$158			$107	$84	$180	$140
Age 0-6	$214	$181	$134			$123	$83	$112	$129
Overall	$216	$184	$129	$84	$135	$117	$85	$176	**$155**

- Recalibration
  Recalibration is the process of recalculating the daily weighted averages with updated cost information. Waiver and home care claims data will be analyzed every five years based on the preceding year's data.

- Enrollment count
  Enrollment is defined as the greatest number of participants with open service agreements in each county identified from September through November of the previous calendar year in Waiver Management System. The enrollment count is further categorized into six age brackets. Participant age is defined as the age participants will turn during the calendar year being calculated. In order to maintain enrollment count, the

county can designate which new enrollees will fill vacancies created when enrollees discontinue waiver services. Counties can add participants that will receive the resource amount associated with the county cell value for that participant's age bracket during the next county year. These participants will be tracked in the Waiver Management System. The number of individuals who fill vacancies in a county may not exceed the number of people who discontinued.

- Service optimization
  Service optimizing is the term used when counties elect to serve additional enrollees with no additional resource amount added to the county's budget. At the next recalibration, in five years, all participants being served through service optimization will be included in the enrollment count.

- Service intensity
  Service intensity (formerly known as acuity) accounts for changes in participants' needs or circumstances beyond changes accounted for through age brackets, such as loss of a significant caregiver or living arrangement, or a change in support needs due to medical, physical, behavioral, or mental health events. Annually, DHS will take 1% of the total statewide allocation divided by total statewide enrollment (as defined in this section) to establish a per participant amount.

- Ratio of allowable to paid claims
  The ratio of allowable to paid claims is based on the difference between each county's allocation and paid claims. The department will add an adjustment for the ratio of allowable to paid claims in each county's allocation. The ratio will be calculated based on the percentage difference between each county's allowable and paid claims for the previous three year period of closed claims. For example, in 2009, the ratio will be calculated using the percentage difference between allowable and paid claims for 2005, 2006, and 2007.[1] Additionally the total available to all counties for the ratio will not exceed the statewide ratio between historical costs and allocations for the previous calendar year.

- Safety net
  The safety net is an emergency fund managed by DHS and available to counties to assure current waiver participants' needs will be met in the event of unexpected and significant changes that results in a substantial increase in the cost of participants' services.

1 This total resource amount can not exceed the statewide ratio from the year prior to the year being calculated.

- Legislative changes
  Legislative changes refer to adjustments to county allocations required by state law. These adjustments are applied to counties' total allocations as defined in law such as provider rate changes and new enrollment.

- Closures and other agreements
  Closure and other agreements refer to agreements between a county and DHS related to allocation adjustments for specific and extraordinary needs such as the closure of an Intermediate care facility for people with mental retardation (ICF/MR.)

Allocation Methodology:

This section explains how the components of the allocation methodology will be used to calculate county budget allocations. Please use Appendix A: Modeling File - Sample County as an example of the calculations described in this section.

- Allocation

  Annually, DHS will use five components to calculate each county's allocation: daily weighted average cell values, enrollment counts, service intensity, legislative changes, and ratio of allowable to paid claims ratio. To calculate county allocations, DHS will:

  Part 1 – Calculate a base budget
  - Determine the enrollment count for each county in each age bracket using data from the Waiver Management System.
  - Multiply the enrollment count for each age bracket by the daily average weighted cell value for that age bracket.
  - Multiply each age bracket total amount by 365 to annualize the dollars.
  - Add the total annualized dollars from each age bracket to come up with a base for the county budget

  Part 2 – Build the base budget using methodology components
  - Add the service intensity. An amount equal to 1% of the total statewide allocation will be used for this adjustment. Annually, the 1% is divided by the total statewide DD waiver participants to establish a per participant amount. That amount is multiplied by the number of enrollees in each county and is added to each county's allocation.
  - Add legislative changes to counties' total allocations as defined in law and include provider rate changes and new enrollment.
  - Add ratio of allowable to paid claims. The amount of the ratio is based on the difference between allowable and paid claims and **in total**, will not exceed the statewide ratio between historical costs and allocations for all counties. DHS will calculate the average percentage difference between each county's allowable and paid amounts over a three year period. DHS will multiply that average percentage amount by the county's allocation to calculate the ratio of allowable to paid claims.

  Part 3 – Total all calculations
  - Add the base allocation and service intensity, legislative changes, and ratio of allowable to paid claims to determine the county allocation.

- Recalibration
  Waiver and home care claims data for the preceding year will be analyzed every five years. This information will be used to reset the daily weighted average cell values for each age bracket by county. The first recalibration will be implemented in calendar year 2009 using data from 2008. The second recalibration will occur in 2014 using data from 2013. Recalibration will continue to occur every five years.

- Serving new participants –
  Counties may serve new participants on the DD waiver:
  - *When receiving a new allocation through conversion or diversion activity.*
    When funding is available for new participants, the department allocates resources to counties. DHS also reserves a portion of available resources to fund new participants who have emergency needs when the county of financial responsibility has exhausted its available allocation. In any of these situations, the county will receive the resource amount associated with the statewide cell value for the new participant's age bracket.

  - *When filling vacancies created by people who dis-enroll from the waiver*.
    In order to maintain enrollment count, the county can designate which new enrollees will fill the vacancies. Counties can add participants that will receive the resource amount associated with the county cell value for that participant's age bracket during the next county year. These participants will be tracked in the Waiver Management System. The number of individuals who fill vacancies in a county may not exceed the number of people who exited the waiver program.

  - *When adding participants to the waiver with no additional funding.*
    This action is called service optimization. If a county chooses to add participants without additional resource amounts, the county must determine that its existing allocation is sufficient to meet the needs of additional enrollees for a twelve month period. Participants added under service optimization are not counted in the enrollment count until the next scheduled recalibration and will be tracked in the waiver management system.

Safety Net

DHS will manage a safety net for counties to address the cost of services to meet unexpected and significant changes in a participant's needs. Both counties and participants must meet eligibility criteria to access the safety net.

- **County Criteria**.
  Annually, the state will establish a fiscal threshold that determines each county's ability to access the safety net. This threshold is based on a per county analysis of the number of participants and the number of waiver days in the previous three year period. (See Appendix B: 2007 County Safety Net Eligibility, for a listing of county eligibility in 2007.)
  - This calculation identifies a fiscal threshold the county must meet in increased authorizations of services for participants meeting the below criteria prior to accessing the safety net. Based on this analysis, there will be counties that are not eligible to access the safety net. The safety net is available for participants enrolled on the waiver on January 1st of that calendar year and have a life event described below that increases his or her per day waiver and home care authorizations by $100 or more. (See Participant Criteria, pg 8)

  - If the county accesses the fiscal safety net and has additional participants meeting the participant criteria described below within the calendar year, **the county allocation must cover the first $100 per day** of the participant resource increase and the safety net may be accessed to meet the additional increase in authorization.

  - Utilization of the safety net shall be participant assigned and is not retained in the county's allocation when the participant exits the waiver or changes county of financial responsibility.

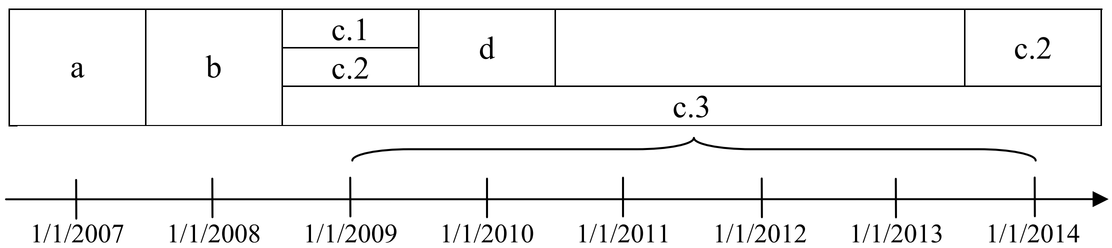
  - The county will submit a request that identifies the daily amount needed from the safety net and provide the department with the following information that describes how the:
    - county threshold has been met,
    - participant criteria has been met and,
    - county determined the daily authorization requested.

- **Participant Criteria**.
  The fiscal resource amount is available to counties when both of the following criteria are present for a participant:
  - Financial Criteria:
    - The additional authorization results in a daily authorization that is more than $100 per day beyond the participant's authorization prior to the change in need.
  - Life Events – the participant must experience one of the following:
    - Sudden loss of caregiver (e.g. death, abandonment, life threatening condition with poor prognosis for recovery)
    - Immediate risk of out of home placement (e.g. natural or other disaster, removal from unsafe living situation)
    - Immediate risk of ICF-MR placement (e.g. Participant has a change in need that causes current services to be insufficient to meet new needs. This change in need cannot be met at this time through utilization of community or other state plan services.)

- **Event Definition**.
  For the purpose of the safety net, a change in service of over $100 a day that meets these criteria will be called an "**event**". The event is related to a county's eligibility for the statewide safety net. (See Appendix C: Safety Net Examples, for safety net scenarios)
  - For each county, a number of events will be calculated using an Unused Waiver Day calculation
  - This county threshold is the amount of events that a county needs to experience before accessing the safety net.
  - Each event is defined as $100 a day change in costs of service. The reason for the change of service must meet the criteria listed under Participant Criteria.
  - The $100 a day change is cumulative. Therefore if a county has an event threshold of 3, the county must have participant(s) who have total changes in need greater than $300 per day within the calendar year.
    - These changes can be experienced by three individual participants or by one participant.
    - It is the county's responsibility to track their participants' changes in needs. The county must demonstrate that it has met its threshold of events before accessing the statewide safety net

Implementation Timeline

The new allocation methodology has a staggered timeline for implementation. DHS will implement the components of the new state to county budget allocation methodology as follows:



a. January 1, 2007
   On January 1, 2007, the following components of the new methodology will be implemented:
   - Budget – Counties' base budgets will be created based on the 2006 allowable budget with adjustments for the provider rate increase, service intensity, and any conversion or diversion activity.
   - Safety Net – The safety net is available for counties and participants who meet the criteria defined on pages 7 - 9.
   - New Allocations - If a county receives new allocation through a conversion or emergency diversion, the county will receive the resource amount associated with the *statewide* cell value for the new participant's age bracket.

b. January 1, 2008
   On January 1, 2008, the following components of the new methodology will be implemented:
   - Budget – Counties' base budgets will be created based on the 2007 allowable budget with adjustments for the provider rate increase, service intensity, and any conversion or diversion activity.
   - Safety Net – The safety net is available for counties and participants who meet the criteria defined on pages 7 - 9.
   - New Allocations - If a county receives new allocation through a conversion, diversion, or emergency diversion, the county will receive the resource amount associated with the *statewide* cell value for the new participant's age bracket.
   - Service Intensity - DHS will take 1% of the total 2008 statewide allocation divided by total statewide enrollment to establish a per participant service intensity amount.

c. January 1, 2009
   c.1 Total implementation of new methodology

On January 1, 2009, the methodology will be fully implemented and will be based on the following components as defined and described above:

- County Cell Values
- Enrollment Count
- Service Optimization
- Service Intensity
- Ratio of Allowable to Paid Claims
- County Waiver Allocation Plans

c.2 Beginning in 2009 and every five years thereafter – Recalibration Year

Waiver and home care claims data will be analyzed every five years based on the preceding year's data. This information will be used to reset the daily weighted average cell values for each age bracket by county.

- Recalculation of Cell Values
- Recalculation of County Modeling Files

c.3 Beginning in 2009 and every year thereafter

Annually, DHS will update information for the following components within the methodology for county management:

- Statewide Cell Values – will be updated for legislative changes
- Enrollment Count – will be updated based on participant counts as tracked in the waiver management system
- Service Optimization – individuals added to the waiver without funding will be tracked in the waiver management system
- Service Intensity – the per enrollee service intensity dollar amount will be updated every year based on the total statewide allocation for that year
- Safety Net Eligibility – county eligibility for the safety net will be updated annually based on a rolling three year history of the unused waiver day pool (see Appendix B: 2007 County Safety Net Eligibility for an explanation of this calculation)
- Ratio of Allowable to Paid Claims – this percentage will be updated annually based on a rolling three year history of the county difference between allowable and paid claims

d. January 1, 2010

On January 1, 2010, the budget allocation methodology will be based on the following components as defined and described above:

- County Cell Values
- Enrollment Count
- Service Optimization
- Service Intensity
- Ratio of Allowable to Paid Claims

County Management and Tools

County Management
Counties are responsible for the following duties in the management of their DD waiver allowable allocation:

- Waiver and home care service changes. The county shall manage paid claims for waiver and/or state plan services within its allocation including accounting for future needs of current participants.

- County waiver allocation plans. Each county and county alliance must establish and maintain written criteria and procedures for prioritizing and allocating resources within the county's allocation. These criteria and procedures must be submitted to the department for review and approval every five years and prior to implementing any revision. The criteria and procedures must be available upon request.

- Individual service plans (ISP). Counties are responsible to develop participants' care plans, "Individualized Service Plans (ISP)," based on the participants' needs and within each county's available allocation.

- Reserve amounts. Counties may elect to establish a reasonable reserve amount to address change in participants' needs including anticipated, unexpected and emergency needs. The reserve amount must be based on the counties' experiences, participant utilization history, and anticipated participants' needs.

County Tools
Counties can use the following tool and reference documents to assist with allocation management in the new state to county budget allocation methodology. A hard copy of the Budget Builder tool is attached as an appendix of this bulletin. Also, the following url contains a link to the Budget Builder tool for county use:
http://www.dhs.state.mn.us/dhs16_139259.xls

1. **Budget Builder (Appendix D)**
This spreadsheet will help counties to calculate their allowable budget based on the new methodology. DHS will calculate the budgets annually based on this methodology; however this tool will help counties estimate their yearly budget allocation at any point in a given year. Use your specific county information which can be found in the resource documents described on page 13 to fill in the required information. The Budget Builder worksheet will use that information to create an approximation of your county's allowable budget.

The following reference materials contain information that will assist counties in the use of the tool described above. DHS will update and post this information on the Waiver Management System*:*

Reference Material:	**Purpose:**
1. Statewide Cell Values (Appendix E)	The daily weighted average refers to six age brackets that reflect waiver service costs including those related to place of residence. These averages were determined for each county as well as for the entire state. The 2007 State Wide Cell Values are based upon the 2004 state wide cell values created by JVGA in 2004. These numbers were updated to reflect all provider rate and service intensity changes that occurred between 2004 and 2007, and will be updated based on these changes annually. These numbers are updated to include this information because all new conversion and diversion allocations will be distributed using these values. State Wide cell values will also be recalibrated based on expenditures every five years, beginning in 2009.
2. 2004 – 2008 County Cell Values	The 2004 – 2008 County Cell Values are based on the 2004 county cell values created by JVGA in 2004. The numbers were updated to reflect all actual costs that occurred in 2004 and do not include any changes that occurred between 2004 and 2007. County cell values will be recalibrated based on expenditures every five years, beginning in 2009.
3. Age and Residential Setting	For each county, the average daily expenditures for waiver and home care services are divided into categories based on residence and age. Expenditure data is sorted into eight residential settings that represent all residential options covered by the waiver. The data is then divided into six age brackets which represent ages when significant service changes normally occur. An average is taken to represent the mean cost for a county to provide services to a participant by age. Enrollment is defined as the greatest number of participants with open service agreements in each county identified in the last quarter of the previous calendar year in Waiver Management System. Participant age is defined as the age participants will turn during the calendar year being calculated.

Reference Material:	**Purpose:**
4. Age Bracket Changes Next CY	The County Age Bracket Changes for the Next Calendar Year displays the number of people in each age bracket that will change in the next calendar year. The table gives these numbers as a total for each age bracket and details the number of changes in each residential setting as well.
5. Per Participant Service Intensity	Service intensity (formerly known as acuity) accounts for changes in participants' needs or circumstances, such as loss of a significant caregiver or living arrangement, or a change in support needs due to medical, physical, behavioral, or mental health events. Annually, DHS will take 1% of the total statewide allocation divided by total statewide enrollment to establish a per participant service intensity amount.
6. State Wide Legislative Changes	Legislative changes refer to adjustments to county allocations required by state law. These adjustments are applied to counties' total allocations as defined in law such as provider rate changes and new enrollment. This table lists current and past legislative changes.
7. Ratio of Allowable to Paid Claims	The ratio of allowable to paid claims is based on the difference between each county's allocation and paid claims. The department will add an adjustment for the ratio of allowable to paid claims in each county's allocation. The difference of the ratio will be calculated based on the percentage difference between each county's allowable and paid claims for the previous three year period of closed claims. For example, in 2009, the ratio will be calculated using the percentage difference between allowable and paid claims for 2005, 2006, and 2007. Additionally the total dollars paid to all counties for the ratio will not exceed the statewide ratio between historical costs and allocations for the current year. If the statewide difference between allowable and paid claims for the state is less than the sum total difference of the counties, DHS will recalculate the allowable to paid claims ratio based on the counties' historical difference and the statewide average.

Reference Material:	**Purpose:**
8. County Eligibility for the Safety Net	The safety net is an emergency fund managed by DHS and available to counties to assure current waiver participants' needs will be met in the event of unexpected and significant changes that cause a substantial increase in the cost of participants' services. This table lists county eligibility for the safety net and tracks number of events used and total safety net dollars allocated.

Legal Authority

Minnesota Development Disabilities Waiver Plan, Control Number 006190.R3.09

Special Needs

This information is available in other forms to people with disabilities by contacting us at 651-431-2400 (voice), toll free at 1-800-747-5484 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).

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Appendix A: Sample County Modeling File

County X

Counties receive 365 days

Age Categories	Cell Value	Enrollment Count	Base Budget	Service Intensity (Formerly Acuity)	Legislative Changes	Ratio of Allowable to Paid Claims	Total Allocation	Safety Net
Age 61 +	$172	100	$6,281,044					
Age 41 - 60	$168	200	$12,276,632					
Age 22 - 40	$159	200	$11,599,917					
Age 14 - 21	$149	200	$10,911,815					
Age 7 - 13	$140	100	$5,121,391					
Age 0-6	$129	200	$9,401,795					
Overall	**$155**	**1,000**	**$55,592,594**	**$700,000**	**$1,125,852**	**$1,722,553**	**$59,141,000**	**$0**

Definitions:

1 Cell Values: Cell values are the weighted average daily resource amounts used to build the counties' allocations. They are based on historical expenditures and are neither individual enrollee limits nor caps.

2 Enrollment Count: Enrollment is derived from age and waiver status data in MMIS. Enrollees' age is defined as the age they will turn during the calendar year being calculated. The enrollment count is the number of enrollees identified between September and November of the previous calendar year in the Waiver Management System. From year to year, the "enrollment count" will only increase by the number of funded conversion and diversion allocations.

3 Base Budget: For each county, the base budget amount equals the cell value for each age bracket multiplied by the number of people enrolled in that age bracket. This amount is then multiplied by 365 because at the beginning of each calendar year, enrollees are funded for the full year.

4 Service Intensity: The Service Intensity adjustment has been know as the acuity in the past and accounts for changes in enrollees' needs or circumstances. An amount equal to 1% of the total statewide allocation will be used for this adjustment. The 1% is divided by the total statewide enrollees to establish a per enrollee amount. That amount is multiplied by the number of enrollees in each county and each county's allocation is adjusted by that amount. A Service Intensity per enrollee amount of $700 was assumed in this example.

5 Legislative Changes: Adjustments required by state law, such as the provider rate increase, will be applied to the counties' total allocations as they occur. In the above example, a provider rate increase of 2% was assumed.

6 Ratio of Allowable to Paid Claims: The department will add an adjustment for the ratio of allowable to paid claims in each county's allocation. The amount of the ratio will be calculated based on the difference between each county's allocation and paid claims for the previous three year period and in total, will not exceed the statewide ratio between historical costs and allocations for all counties. In the above example, the following historical information was assumed:

	$ Allocated	$ Paid	$ Difference	% Difference
Year 1	$57,500,000	$56,350,000	$1,150,000	2%
Year 2	$57,775,000	$55,464,000	$2,311,000	4%
Year 3	$58,000,000	$56,260,000	$1,740,000	3%
Average				**3%**

The average difference between the allowable and paid claims for county X is 3%. Therefore, the ratio of allowable to paid claims will be 3% multiplied by the current year allowable.

7 Safety Net: The department will maintain a fiscal safety net for counties to address the cost of services to meet an unexpected and significant change in an enrollees needs. Both counties and enrollees must meet eligibility criteria to access the fiscal safety net. If all criteria are met, funds will be added to the allocation on an individually assigned basis, and will be taken out of the allocation when an individual exits the waiver. In the above example, no safety net participants were calculated.

Appendix B: 2007 County Safety Net Eligibility

2007 County Safety Net Eligibility

NOTES: County eligibility for the Statewide Safety Net is calculated as follows:

1. Unused Waiver Day Pool (UWDP) was created by:
    a. Calculating the average waiver days
    b. Subtracting the average waiver days from 365 (or 366 in 2004)
    c. Multiplying that number by the number of participants and the average allocation.
    d. The result was divided by 36,500 ($100 per day, 365 days a year)
    UWDP = (unused waiver days * participants * average allocated) / 36,500
2. The number of participants is rounded to the nearest whole number.
3. The UWDP is calculated for the past three years.
4. The average of the UWDP is calculated using information from the past three years. This is a rolling average and will be recalculated every year.
5. The UWDP is cut in half to determine the number of events a county must experience before accessing the Statewide Safety Net
6. Counties who must experience more than 5 events before access the safety net are not eligible for the safety net and are considered self-insured.

2007 County Eligibility for the Safety Net

	Unused Waiver Day Pool			Average of '03, '04 and '05	# of Events before accessing fiscal safety net
	CY 2003	CY 2004	CY 2005		
County Name	at $100 pd	at $100 pd	at $100 pd	at $100 pd	
Pipestone	1	0	0	0	0
Big Stone	1	0	0	0	0
Kittson	0	1	1	1	0
Swift	2	0	1	1	1
Grant	1	3	0	1	1
Sibley	1	0	2	1	1
Lake of the Woods	2	3	0	1	1
Wilkin	3	1	0	2	1
Traverse	4	2	0	2	1
Cottonwood	3	1	1	2	1
Lincoln	0	2	4	2	1
Cook	0	5	1	2	1
Clearwater	3	2	1	2	1
Jackson	2	2	2	2	1
Fillmore	2	2	3	2	1
Mahnomen	3	3	0	2	1
Aitkin	2	1	4	2	1
Martin	4	2	0	2	1
Murray	0	6	1	2	1
Stevens	2	2	4	2	1
Rock	5	1	1	2	1
Koochiching	0	5	1	2	1
Waseca	3	4	1	3	1

County Name	CY 2003	CY 2004	CY 2005	Average of '03, 04, and '05	**# of Events before accessing fiscal safety net**
Lake	4	3	0	3	1
Norman	2	5	2	3	1
Wabasha	3	3	2	3	1
Mille Lacs	4	2	2	3	1
Red Lake	2	5	2	3	2
Faribault	5	3	1	3	2
Meeker	6	2	2	3	2
Lac Qui Parle	1	7	2	3	2
Todd	7	2	1	3	2
Hubbard	4	4	3	3	2
Wadena	2	5	3	4	2
Becker	4	4	2	4	2
Steele	4	3	4	4	2
Redwood	3	5	3	4	2
Dodge	3	2	6	4	2
Chippewa	3	5	4	4	2
Polk	3	3	6	4	2
Douglas	11	0	1	4	2
Nicollet	3	6	2	4	2
Isanti	2	6	4	4	2
Houston	5	3	5	4	2
Marshall	5	6	2	4	2
Mc Leod	6	3	4	4	2
Pope	5	5	2	4	2
Freeborn	1	6	6	4	2
Yellow Medicine	3	4	6	4	2
Brown	5	3	7	5	2
Watonwan	7	4	3	5	2
Renville	5	4	5	5	2
Kandiyohi	3	4	7	5	2
Lyon	4	7	5	5	3
Roseau	7	6	4	5	3
Pine	6	3	9	6	3
Le Sueur	7	7	4	6	3
Kanabec	10	4	4	6	3
Nobles	11	5	4	7	3
Morrison	9	7	4	7	3
Crow Wing	11	4	6	7	3
Pennington	12	8	2	7	4
Carver	7	8	7	7	4
Blue Earth	8	12	4	8	4
Carlton	19	4	2	8	4
Benton	6	16	2	8	4

County Name	CY 2003	CY 2004	CY 2005	Average of '03, 04, and '05	**# of Events before accessing fiscal safety net**
Mower	7	4	13	8	4
Chisago	11	5	10	9	4
Cass	5	17	6	10	not eligible
Winona	14	9	6	10	not eligible
Sherburne	10	9	11	10	not eligible
Wright	10	10	11	10	not eligible
Otter Tail	4	10	17	11	not eligible
Itasca	12	17	5	11	not eligible
Goodhue	18	10	10	13	not eligible
Rice	17	10	11	13	not eligible
Clay	22	9	7	13	not eligible
Olmsted	13	18	12	14	not eligible
Beltrami	15	31	4	17	not eligible
Stearns	25	20	10	19	not eligible
Scott	24	22	19	22	not eligible
Washington	42	28	27	32	not eligible
Anoka	40	54	42	46	not eligible
Dakota	46	52	49	49	not eligible
St. Louis	88	70	26	61	not eligible
Ramsey	114	99	157	123	not eligible
Hennepin	234	224	249	235	not eligible
Alliances:					
Lincoln/Lyon/Murray	4	14	10	10	not eligible
Meeker/McLeod/Renville	17	9	11	12	not eligible
* Northwest 8	34	35	19	29	not eligible

* Northwest 8 alliance includes:
Kittson, Mahnomen, Marshall, Norman, Pennington, Polk, Roseau, & Red Lake counties

Appendix C: Safety Net Examples

Safety Net Examples

1. **County X**

County Name	Unused Waiver Day Pool CY 2003 at $100 pd	CY 2004 at $100 pd	CY 2005 at $100 pd	Average of '03, '04 and '05 at $100 pd	# of Events before accessing fiscal safety net
County X	4	6	14	8	4

County X has a threshold of 4 and, therefore, must experience 4 events before accessing the statewide safety net. In CY 2007, they have current participants who have experienced the following changes in need:

	Change in Need:	Change in Cost:	Does it meet Participant Criteria?
Participant A:	Sudden loss of caregiver	$100	Yes
Participant B:	Risk of ICF/MR services	**$90**	**No**
Participant C:	Risk of out-of-home services	$100	Yes
Participant D:	Risk of out-of-home services	$200	Yes
Participant E:	**Graduated: needs increased support**	$150	**No**
Participant F:	Risk of ICF/MR services	$250	Yes

Participant B does not meet participant criteria for the safety net because the change in need costs less than $100 per day. Participant E does not meet participant criteria for the safety net because the change in need does not meet the definition of a significant life event.

Participants A, C, and D meet both the financial and life event criteria for the statewide safety net. The total increase in costs for these individuals is $400. Therefore the cumulative change in need for these participants brings the county above the necessary threshold amount to access the statewide safety net.

Participant F is the first individual who is eligible for the statewide safety net for County X. Therefore, the county will pay for the first $100 per day for Participant F, and the state will pay the remaining $150 per day. This resource will be given to the county in a lump sum amount for 2007 and every year after that Participant F is receiving services in County X.

2. County Y

County Name	Unused Waiver Day Pool CY 2003 at $100 pd	CY 2004 at $100 pd	CY 2005 at $100 pd	Average of '03, '04 and '05 at $100 pd	# of Events before accessing fiscal safety net
County Y	4	5	3	4	2

County Y has a threshold of 2 and, therefore, must experience 2 events before accessing the statewide safety net. In CY 2007, they have current participants who have experienced the following changes in need:

	Change in Need:	Change in Cost:	Does it meet Participant Criteria?
Participant A:	Sudden loss of caregiver	$300	Yes

Participant A meets the life event criteria for the statewide safety net and the county meets the threshold. The increase in costs for this individual is $300. Therefore the change in need for this participant brings the county above the necessary threshold amount to access the statewide safety net. The county will pay for the first $200 per day for Participant A, and the state will pay the remaining $100 per day. This resource will be given to the county in a lump sum amount for 2007 and every year after that Participant A is receiving services in County Y.

3. County Z

County Name	Unused Waiver Day Pool CY 2003 at $100 pd	CY 2004 at $100 pd	CY 2005 at $100 pd	Average of '03, '04 and '05 at $100 pd	# of Events before accessing fiscal safety net
County Z	11	10	9	10	not eligible

County Z has a threshold of 5 and, therefore, is not able to access the statewide safety net.

Appendix D: Budget Builder

County Name

Counties receive f 365 days

Age	Cell Value	Enrollment Count	Base Budget*	Service Intensity (Formerly Acuity)	Legislative Changes	Ratio of Allowable to Paid Claims	Total Allocation	Safety Net
61+			$0					
41 - 60			$0					
22 - 40			$0					
14 - 21			$0					
7 - 13			$0					
0 - 6			$0					
Overall		**0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

DIRECTIONS:

Cells highlighted in yellow must be filled in by the county to build a budget. Use county specifc pages on the Waiver Management System to gather this data. Follow the steps below to fill in these cells:

1 Fill in county cell values using county specific information on the Waiver Management System.

2 Fill in enrollment count using county specific information on the Waiver Management System. Enrollment count can be found in the table titled "Age and Residential Breakdown by County". This information will be updated annually.

3 The spreadsheet will calculate the county's base budget.

4 Fill in the per participant service intensity amount in the box below using county specific information on the Waiver Management System. Service Intensity can be found in the table titled "Per Enrollee Service Intensity Amount." DHS will set this amount annually.

Per Participant Service Intensity Amt.:

5 Fill in any legislative changes like the provider rate increase using information on the Waiver Management System. Provider Rate Increase information can be found in the table titled "Provider rate Increase". This information will be updated annually.

Legislative Changes:

6 Fill in the Ratio of Allowable to Paid Claims using county specific information on the Waiver Management System. The ratio can be found in the table titled "Ratio of Allowable to Paid Claims". This information will be updated annually.

Ratio of Allowable to Paid Claims:

7 If your county has received dollars associated with the safety net, fill in the total dollar amount received:

Safety Net Dollars:

8 The spreadsheet will calculate the county's approximate allowable budget.

* *The base budget calculation has been adjusted by 9% to adjust cell values for changes in service intensity between 2004 and 2007. This adjustment is only applicable for the cell values calculated in 2004 and will not be included in the calculation at recalibration in 2009.*

Appendix E: Statewide Cell Values

DD State to County Budget Allocation Methodology

2007 Statewide Average Cell Values

State Wide

Age Categories	CY07CellValue
Aging Into Elderly Care (61 +)	$197.05
Adults Aged out of Familial Home (41 - 60)	$198.81
Adults Prior to Aging out of Home (22 - 40)	$181.73
Continuing Foster Care (14 - 21)	$129.74
School Funded (7 - 13)	$98.25
Early Intervention (0-6)	$92.09
Overall	**$168.49**