Minnesota LTSS Advisory Council

August 2026 Meeting

August 20, 2026

PUBLIC CONSULTING GROUP

Solutions that Matter

Greetings, Housekeeping, and Introductions

Housekeeping (1 of 3)

- Meeting is open to the public, in person and virtually
- Meeting will be recorded
- Recording will be made available to members and the public after the meeting

Housekeeping (2 of 3)

- Public comment period is 4–4:30pm
- Sign-up for public comment during the scheduled meeting break at 2:30pm
  - Virtual sign up will be through the Zoom chat function
  - In-person sign-up will be done in the meeting room
- Public comment is limited to three minutes per speaker
- Public attendees can access chat/Q&A only when enabled for public comment sign-up

Housekeeping (3 of 3)

- PCG will take meeting minutes, distribute them to the Council, and post them publicly after the Council approves
- Put any requests for accessibility and accommodation in chat
- Council members must adhere to meeting agreements as described in the charter

➡ Discuss rescheduling October meeting to 10/22/26 1-4:30pm due to the fall break for MN schools

Agenda Review

Agenda

- Adoption of June 18, 2026, Minutes & Action Item Status
- Town Hall & Written Comment Feedback Summary
- Workgroup Updates
- New Recommendation Review & Initial Voting
- Break & Public Comment Sign-Up
- Final Voting on Recommendations
- Summary & Next Steps
- Public Comment Period

Adoption of June 18, 2026, Minutes and Action Item Status

June 18, 2026, Minutes & Action Items (1 of 2)

- Discuss any requested updates to the June 18, 2026, meeting minutes
- Roll call vote for adoption of minutes
- Action Items:

Action Item	Status
Prepare competitive workforce factor (CWF) data and send to the Council.	Complete
Revisit fiscal analysis on the eliminate CFSS consultation services recommendation and share updates with the Council.	Complete

June 18, 2026, Minutes & Action Items (2 of 2)

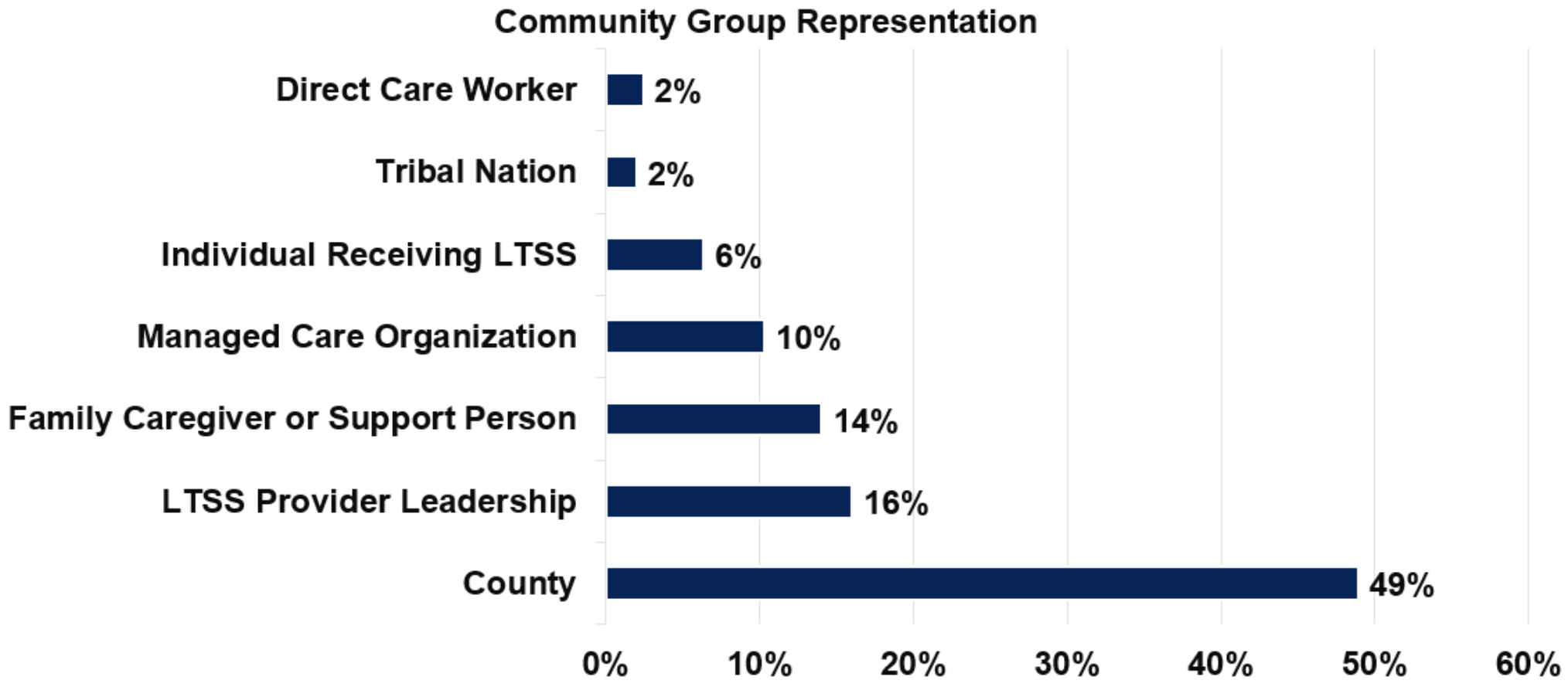
Action Item	Status
DHS follow up with DHS finance staff to confirm if contingent cost reductions in current law will be applied on-going or just in the next biennium.	Complete
July and August workgroups - Council members continue to revise and finalize recommendation ideas for August final vote; DHS/PCG continue to support with fiscal and impact analysis.	Complete

Town Hall & Public Comment Feedback Summary

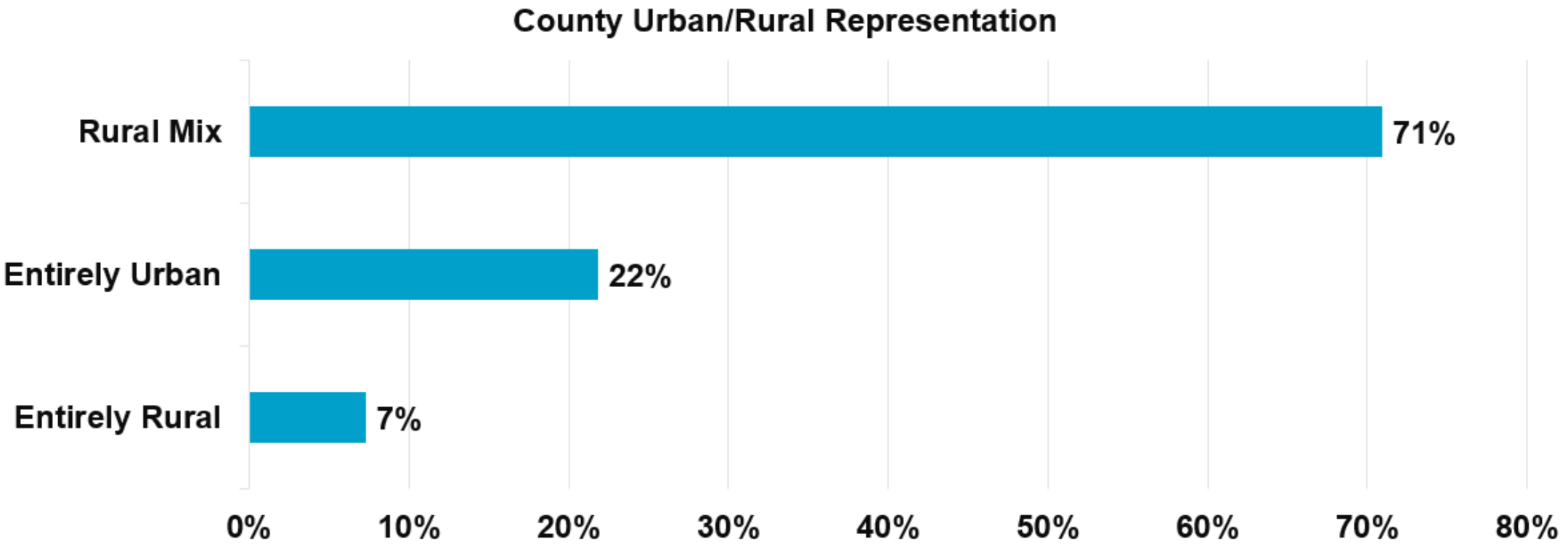
Community Partner Participation Numbers

Date	Time	Format	Participant Count
7/20/26	1:00 p.m. – 2:30 p.m.	Virtual on Town Hall	195
7/22/26	6:00 p.m. – 7:30 p.m.	Virtual Town Hall	35
7/24/26	10:00 a.m. – 11:30 a.m.	Virtual Town Hall	177
7/20/26	Two weeks	Microsoft Form Survey	310

Community Partner Participation Representation



Community Partner County Representation



Source: Minnesota State Demographic Center, *Greater Minnesota Refined & Revisited* 2017. Greater-mn-refined-and-revisited-msdc-jan2017_tcm36-273216.pdf.

Perceived Disruption Impact Scale

Least Disruptive → Most Disruptive		
	1 Most Disruptive	Require individuals 65+ to enroll on the Elderly Waiver (no exceptions)
	2	Require individuals 65+ to enroll on the Elderly Waiver (with exceptions)
	3	Eliminate CFSS Consultation Services
	4	Reinstate TEFRA fees for individuals with an estimated income level of over 675% of FPL
	5	Increase Quality in Nursing Facility Care
	6	Eliminate the Planned Closure Rate Adjustment (PCRA) Program
	7	Cap the Allowable Health Insurance Costs for Nursing Facilities at $15,000 per Enrollee
	8 Least Disruptive	Eliminate the Performance-Based Incentive Payment Program (PIPP)

Summary of Community Partner Feedback

Feedback **in support** of recommendations focused on:

- Simplification
- Consistency
- Fiscal stewardship

Feeback **not in support** focused on:

- Reduced access to services or disruption to continuity of care
- Rural and Tribal Nation communities being more vulnerable to service disruption
- Disproportionate impact for people with complex needs and people without waiver case management
- Shifting workloads rather than achieving true savings

Feedback Themes - Eliminate CFSS Consultation Services

Supporting Themes

- Streamlined process
- Reduced duplication
- Faster access
- Reduced paperwork
- Better efficiency

Opposing Themes

- Increased administrative burden
- Loss of navigation/support
- Service delays and access issues
- Impact on people without case managers
- Administrative shifted, not eliminated
- Impact on vulnerable populations
- Greater challenges for rural and Tribal Nations

Feedback Themes - Reinstate TEFRA fees

Supporting Themes

- Income-based cost sharing
- Targets limited resources
- Prioritizing families with high-needs
- State budget impact

Opposing Themes

- Reduced access to services
- Equity concerns
- Financial hardship for families
- Family support and communication challenges
- Greater challenges for Tribal Nations and rural counties
- Additional provider responsibilities
- Administrative burden

Feedback Themes - Require People Age 65+ to Transition to EW (with exceptions)

Supporting Themes

- Clear expectations
- System consistency
- Simplified eligibility rules
- Reduced duplication
- Cost savings and fiscal alignment
- Improved communication and understanding

Opposing Themes

- Loss of services
- Impact for people with high needs
- Risk to housing stability
- Administrative burden
- Rural access risk

Feedback Themes - Require People Age 65+ to Transition to EW (no exceptions)

Supporting Themes

- Clear expectations
- Reduces complexity
- Cost savings
- System consistency
- Improved communication and understanding

Opposing Themes

- Loss of services/disruptions
- Insufficient EW resources
- Risk to housing stability
- Administrative burden
- Impact for rural communities
- Unmet complex care needs
- Risk of institutionalization

Feedback Themes - Eliminate Planned Closure Rate Adjustment (PCRA)

Supporting Themes

- Saves money
- Fiscally responsible
- Simplifies processes
- Promotes efficiency

Opposing Themes

- Provider financial instability
- Decreased provider capacity
- Decreased choice in providers
- Decreased rural and Tribal Nation provider capacity
- Increased waiting time services
- Unmet complex care needs

Feedback Themes - Eliminate the Performance-Based Incentive Program (PIPP)

Supporting Themes

- Reduces administrative burden
- Process simplification
- Creates consistency
- Fiscally responsible

Opposing Themes

- Decreased quality
- Loss of specialized programs
- Reduced staff capacity
- Impact to small providers
- Unequal funding access
- Concerns for specific populations

Feedback Themes - Cap the Allowable Health Insurance Costs for Nursing Facilities at $15,000 per Enrollee

- Minimal feedback about the benefits of this proposal
- Respondents did not generally oppose the recommendation and shared concerns that it would lead to:
    - Increased workforce shortages
    - Reduced service availability
    - Reduced quality of care

Feedback Themes - Increase Quality in Nursing Facility Care

Supporting Themes

- Increased accountability
- Effective use of public funds
- Drives quality
- Improved outcomes for people

Opposing Themes

- Reduced quality of care
- Risk of facility closure
- Impact to rural and Tribal Nation communities
- Workforce challenges

Workgroup Updates

Workgroup July & August Meeting Updates

Leads: Jay & Louella

Leads: Alex & Addyson

Leads: Lori & Darla

New Recommendation 1st Round Voting

New Recommendation Ideas- Background

- Seven new ideas emerged from the August workgroups to address the remaining gap in achieving the cost savings target
- Per the Council's charter, the October meeting was reserved for a third round of voting, if needed
- As a result, August was the final opportunity to introduce new ideas for Council consideration and voting
- These ideas have not yet undergone public comment and require further scoping, analysis, cost savings estimates, and public input should the Council vote to proceed

List of New Recommendation Ideas

- Implement asset limit for Medical Assistance for Employed Persons with Disabilities (MAEPD)
- Eliminate grant programs
- Repeal new certified assessor team
- Increase Alternative Care (AC) program fees
- Implement tiered case management reimbursement
- Create a Complex Care Review Team

New Recommendation Ideas - Voting Procedure Review

- New recommendation ideas receiving a majority “yes” vote will move forward for cost savings estimate and additional information gathering
- Final vote will be at the October meeting to include/not include in the Legislative Report
- For each recommendation, the following will happen in order:
    1. Facilitator will provide a one-minute description of the recommendation
    2. One-minute period for Council statement of support
    3. One-minute period for Council statement of dissent
    4. Facilitator will call each member to state their vote “yes”, “no”, or “abstain” in alphabetical order by first name.
- Votes will be recorded in the meeting minutes.

Implement an Asset Limit for MAEPD: Description

What is MAEPD?

- Medical Assistance for Employed Persons with Disabilities
- Option for people who work to get Medical Assistance with paying a premium
- Currently, there are no asset limits for participants.

What would the recommendation change?

- Implement an asset limit of either $90,000 or $200,000
  - A person' home, first vehicle, and retirement account would not count toward the asset limit

Implement an Asset Limit for MAEPD: Statements of Support/Dissent and Vote

- Statement of support
- Statement of dissent
- Council vote to move forward for additional analysis, cost estimate, and public comment (yes, no, or abstain)

Eliminate Grant Programs: Description

What are the grant programs?

- There are 32 disability grants under consideration *(see list provided to members with August meeting materials on 8/17/26)*
- To determine specific grants for elimination, additional information is needed on the number of people impacted, whether the grants are full or partial (have supplemental funding), and overall utilization in the last year

What would the recommendation change?

- Eliminate the grant or grants programs, meaning current participants would need to find other services/means of meeting needs covered under the grant

Eliminate Grant Programs: Statements of Support/Dissent and Vote

- Statement of support
- Statement of dissent
- Council vote to move forward for analysis, cost savings estimate, and public comment (yes, no, or abstain)

Repeal New Certified Assessor Team: Description

What is the new certified assessor team?

A new team of statewide MnCHOICES certified assessors was enacted in the 2026 legislative session to:

- Assist counties, lead agencies, or Tribes to address backlogs in assessment requests
- Conduct oversight and evaluation to determine long-term solutions to this challenge.

What would the recommendation change?

- Stop the implementation of the new certified assessor team
- Counties, lead agencies, and Tribal Nations would lose this additional support, backlogs would continue

Estimated cost savings: $11-12 million in the FY 28/29 biennium

Repeal New Certified Assessor Team: Statements of Support/Dissent and Vote

- Statement of support
- Statement of dissent
- Council vote to move forward for analysis, cost savings estimate, and public comment (yes, no, or abstain)

Increase Alternative Care (AC) Fees: Description

What is AC?

- Provides services for people 65 and older who require the level of care provided in a nursing home
- Most people pay cost-sharing fees ranging between 5% to 30%, unless they are exempt (see chart on next slide)
- Fees are determine based on income, assets, and support plan

What would the recommendation change?

- Increases the fee for each Federal Poverty Guideline (FPG) level by 5%
- Removes exemption for people using Consumer-Directed Community Supports (CDCS)

Increase Alternative Care (AC) Fees: Current Fee Chart

Person's Income	Gross Assets	Monthly Fee
Income <100% FPG, and	<$10,000	$0
Income >100% FPG but <150% FPG, **and**	<$10,000	5% cost of AC services
Income >150% FPG but <200% FPG, and	<$10,000	15% cost of AC services
Income >200% FPG, or	>$10,000	30% cost of AC services

Increase AC Fees: Statements of Support/Dissent and Vote

- Statement of support
- Statement of dissent
- Council vote to move forward for analysis, cost savings estimate, and public comment (yes, no, or abstain)

Implement Tiered Case Management Reimbursement: Description

What does this recommendation mean?

- Create a two-tiered reimbursement mechanism for case management service based on a person acuity or case mix
- Reduce the number of administrative requirements based on the person's needs (i.e., one face to face visit annually instead of two)

What would the recommendation change?

Two rates for reimbursement would be established, one lower and one higher

Implement Tiered Case Management Reimbursement: Statements of Support/Dissent and Vote

- Statement of support
- Statement of dissent
- Council vote to move forward for analysis and cost savings estimate (yes, no, or abstain)

Create a Complex Care Review Panel: Description

What does this recommendation mean?

- Combine the work of the Complex Care Transition Team, Continuity of Care Team, and the work for rate exception reviews into one team

What would the recommendation change?

- Streamline and centralize similar processes and work
- One panel would have a statewide view of the different support and service options to recommend to support people accessing the most cost-effective services, while still meeting the person's needs

Create a Complex Care Review Team: Statements of Support/Dissent and Vote

- Statement of support
- Statement of dissent

- Council vote to move forward for analysis and cost savings estimate (yes, no, or abstain)

Break & Public Comment Sign-Up

Break—10 Minutes

Final Recommendation Voting

Voting Procedure Review

- **Per the MN LTSS Advisory Council Charter:**

  "Council members will vote on each recommendation to determine which recommendations are included in the legislative report. Recommendations that receive a majority "yes" vote will be included in the final legislative report, which will include a record of the votes taken by each Council member on each recommendation."

- This is the final vote on recommendations voted on at the June Council meeting

- Recommendations receiving a majority "yes" vote will be included in the legislative report

- For each recommendation, the following will happen in order:
  1. Facilitator will provide a one-minute description of the recommendation
  2. Three-minute period for Council statement of support
  3. Three-minute period for Council statement of dissent
  4. Facilitator will call each member to state their vote "yes", "no", or "abstain" in alphabetical order by first name.

- Votes will be recorded in the meeting minutes and legislative report.

Recommendation Table & 28/29 Biennium Cost Savings

Recommendation	Estimated Cost Savings
Eliminate CFSS Consultation Services, with Opt-In	$5 – 6 million
Reinstate TEFRA Fees at 545% of FPG	$35– 40 million
Require People Age 65+ to Transition to EW, with exceptions	$1 – 2 million
Eliminate the Planned Closure Rate Adjustment	$6 – 7 million
Eliminate the Performance-Based Incentive Payment Program	$5 – 6 million
Cap the Allowable Health Insurance Costs for Nursing Facilities at $15,000 per Enrollee	$1 million
Increase Quality of Nursing Facility Care	$5 – 6 million
Total Estimated Cost Savings	$57 – 68 million

Recommendation #1: Eliminate CFSS Consultation Services

Eliminate CFFS Consultation Services, with Opt-in: Description

What are Consultation Services? These services:

- Provide education to help people make informed decisions about how to meet their needs using CFSS,
- Help people write their service delivery plans, if desired,
- Provide a review of people's service delivery plans, and
- Provides people with ongoing support, as needed

What would the recommendation change?

- Consultation services would no longer be available for most people using CFSS, including people who don't have a case manager
- Allows opt-in for people new to MA state plan home care services and who choose the budget model

Eliminate CFSS Consultation Services, with Opt-In: Impact

What is the potential impact?

- For people with a case manager the support some receive through consultation services would move to their case manager
- People without a case manager who use consultation services to navigate available services would have to receive this support from their county or Tribe in another way
- Case managers would need additional training
- May strain lead agency capacity

What is the estimated cost savings?

- $5–6 million for the FY28/29 biennium

Eliminate CFSS Consultation Services with Opt-In: Statements of Support/Dissent and Vote

- Statement of support
- Statement of dissent
- Council vote to include in final legislative report (yes, no, or abstain)

Recommendation #2: Reinstate TEFRA Fees at ≥ 545% of Federal Poverty Guidelines (FPG)

Reinstate TEFRA Fees ≥ 545%: Description

What is TEFRA?

- The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) option helps children with disabilities qualify for Medical Assistance (MA), even when their family income is too high for standard MA eligibility
- Before January 2024, parents were charged a monthly fee based on household income, amount was determined using a sliding scale
- Legislation passed in 2023 eliminating all TEFRA parental fees

What would the recommendation change?

- Families enrolled in TEFRA whose income is at least 545% of Federal Poverty Guidelines (FPG) would have to contribute financially toward the services their family member receives
- Increase sliding scale percentages for parental fees

Reinstate TEFRA Fees≥ 545%: Impact

What is the potential impact?

- Could limit access to MA services for children with disabilities
- Families could forego services that are not available through other funding sources
- DHS would need to update systems and processes to collect TEFRA fees
- Adjusted Grose Income equal to, or greater, than 545% of FPG for a family of four is estimated at $179,850.00 a year.

What is the estimated cost savings?

- $35–40 million for the FY 28/29 biennium

Reinstate TEFRA Fees ≥ 545%: Statements of Support/Dissent and Vote

- Statement of support
- Statement of dissent
- Council vote to include in final legislative report (yes, no, or abstain)

Recommendation #3: Requirement for Participants Age 65 on the BI or CADI Waivers Transition to EW, with Exceptions

Require Participants Age 65 on the BI or CADI Waivers to Transition to EW, with Exceptions: Description

What does this mean?

- People currently enrolled in the Brain Injury (BI) or Community Access for Disability Inclusion (CADI) waiver who are age 65 or older (or once they turn 65) would be required to move to the Elderly Waiver unless they are using community residential services (CRS) or customized living (CL)
  - They may also return to BI or CADI if their needs change

What would this recommendation change?

- People who move from BI or CADI to EW may need to switch to different services because EW has some different service options. They would also have a case mix budget cap.

Require Participants Age 65 on the BI or CADI Waivers to Transition to EW, with Exceptions: Impact

What are the potential impacts?

- People could experience gaps in needed services in residential and complex needs supports
- People may need to change to a case manager through a Managed Care Organization

What are the estimated cost savings?

- $1-2 million for the FY 28-29 biennium

Requirement for Participants Age 65 on the BI or CADI Waivers Transition to EW, with Exceptions: Statements of Support/Dissent & Vote

- Statement of support
- Statement of dissent
- Council vote to include in final legislative report (yes, no, or abstain)

Recommendation #4: Eliminate the Planned Closure Rate Adjustment (PCRA) Program

Eliminate the PCRA Program: Description

What is PCRA?

- The Planned Closure Rate Adjustment (PCRA) pays nursing facilities to permanently close beds
- PCRA was established before the current value based reimbursement (VBR) model
- VBR already accounts for cost increases related to lower occupancy
- PCRA add-on payments continue for the life of the facility under current law

What does the recommendation change?

- Ends add-on payments for permanently closed nursing home beds

Eliminate the PCRA Program: Impact

What are the potential impacts?

- This could reduce the overall amount some nursing facilities are paid
- Some facilities, such as those in rural areas, may face disproportional reductions
- Nursing facilities may reduce staffed beds, admissions, staffing, or specialized services
- People may face limited access to nursing facility services or quality concerns including longer hospital discharge delays, fewer specialized placements, and going out of their home community for services

What are the estimated cost savings?

- $6–7 million for the FY28/29 biennium

Eliminate the PCRA Program: Statements of Support/Dissent & Vote

- Statement of support
- Statement of dissent
- Council vote to include in final legislative report (yes, no, or abstain)

Recommendation #5: Eliminate the Performance-Based Incentive Payment Program (PIPP)

Eliminate the PIPP Program: Description

What is PIPP:

- The Performance-Based Incentive Payment Program (PIPP) funds nursing home projects that improve care quality and operations
- Providers propose projects and compete for funding
- The program was created before the current cost-based payment system
- PIPP helped cover project costs that were not included in standard reimbursement rates but are now included under VBR

What would this recommendation change?

- PIPP funds provider-initiated projects for improving nursing facility quality and efficiency of care
- Ends PIPP payments to prevent duplicate funding for costs already covered in provider reimbursement rates

Eliminate the PIPP Program: Impact

What are the potential impacts?

- This could reduce the overall amount some nursing facilities are paid
- Some facilities, such as those in rural areas, may face disproportional reductions
- Nursing facilities may reduce staffed beds, admissions, staffing, or specialized services
- People may face limited access to nursing facility services or quality concerns including longer hospital discharge delays, fewer specialized placements, and going out of their home community for services

What are the estimated cost savings?

- $5–6 million for the FY28/29 biennium

Eliminate the PIPP: Statements of Support/Dissent & Vote

- Statement of support
- Statement of dissent
- Council vote to include in final legislative report (yes, no, or abstain)

Recommendation #6: Cap the Allowable Health Insurance Costs for Nursing Facilities at $15,000 per Enrollee

Cap the Allowable Health Insurance Costs for Nursing Facilities at $15,000 per Enrollee: Description

What does this mean?

- VBR removed limits on employee health insurance reimbursement
- Health insurance costs have increased 69% since then
- Some facilities received more than $30,000 per employee enrollee in 2024
- Reimbursement levels exceeded the state's employee health insurance contribution by more than three times

What would this recommendation change?

- Would establish a limit to the amount nursing facilities can be paid for employee health insurance under their cost-based reimbursement
- This could reduce the overall payment to some nursing facilities

Cap the Allowable Health Insurance Costs for Nursing Facilities at $15,000 per Enrollee: Impact

What are the potential impacts?

- This could reduce the overall amount some nursing facilities are paid
- Some facilities, such as those in rural areas, may face disproportional reductions
- Nursing facilities may reduce staffed beds, admissions, staffing, or specialized services
- People may face limited access to nursing facility services or quality concerns including longer hospital discharge delays, fewer specialized placements, and going out of their home community for services

What are the estimated cost savings?

- $1 million for the FY28/29 biennium

Cap the Allowable Health Insurance Costs for Nursing Facilities at $15,000 per Enrollee: Statement of Support/Dissent & Vote

- Statement of support
- Statement of dissent
- Council vote to include in final legislative report (yes, no, or abstain)

Recommendation #7: Increase Quality in Nursing Facility Care

Increase Quality in Nursing Facility Care: Description

What does this mean?

- VBR pays nursing homes based on their actual costs and quality performance
- Higher quality scores can affect how much a facility is reimbursed
- A 2021 independent evaluation found no evidence that VBR's quality incentives improved nursing home quality
- The evaluation concluded that changes to the VBR formula are needed to achieve the program's quality goals

What would this recommendation change?

- Would adjust how much nursing facilities can be reimbursed for care-related costs to better reward higher-quality care
- This could reduce the overall payment to some nursing facilities

Increase Quality in Nursing Facility Care: Impact

What are the potential impacts?

- This could reduce the overall amount some nursing facilities are paid
- Some facilities, such as those in rural areas, may face disproportional reductions
- Nursing facilities may reduce staffed beds, admissions, staffing, or specialized services
- People may face limited access to nursing facility services or quality concerns including longer hospital discharge delays, fewer specialized placements, and going out of their home community for services

What are the cost savings?

- Estimated $5–6 million for the FY28/29 biennium

Increase Quality in Nursing Facility Care: Statement of Support/Dissent & Vote

- Statement of support
- Statement of dissent
- Council vote to include in final legislative report (yes, no, or abstain)

Next Steps

What Happens Next (1 of 2 slides)

- Recommendations with a majority “yes” vote will be included in the final report
- New recommendation with a majority “yes” vote will advance for September workgroup refinement, cost savings estimates, and public comment
- Initial draft legislative report will be sent to the Council the end of August
- Initial draft will be submitted to DHS September 18, 2026, for internal formal review process
- Legislative report will be updated following the October council meeting with results of final voting on new recommendations
- Final report will be submitted to the Legislature by December 1, 2026

What Happens Next (2 of 2 slides)

- October Council meeting
  - New recommendation final voting
  - Updates on legislative report
- December Council meeting recognition & reflection on the Council's work
  - Planning for 2027 meetings

Summary

Meeting Summary

- General questions/comments from Council members
- Recap meeting themes and action items

Contact Information:

Board Support: Jensina Rosen, Jensina.E.Rosen@state.mn.us

Council Chair: Colin Stemper, colin.stemper@state.mn.us

Meeting Facilitator: Michele Craig, micraig@pcgus.com

Solutions that Matter