

Position Statement

2022

County's Role in and the Redesign of Case Management

Short Description

Issue:

The Department of Human Services continues to lead a multi-phase Case Management Redesign Project. Through this project, the role and definition of case management as well as the financing of it are being looked at from a State perspective. Among the project's goals are to better define case management, clarify roles and responsibilities, and make case management more consistent across the various types of Targeted Case Management (TCM), Home and Community-Based Services (HCBS) Waiver case management, and similar case management where the recipient is not currently enrolled in MA and is therefore paid for by county funds. Other goals include making case management funding compliant with federal regulations, more transparent, more consistent among the different types of case management, and more consistent throughout the State. Workgroups have been formed and counties are a partner in this process. The Redesign Project and its potential legislative recommendations have surfaced multiple unresolved issues for CMH-TCM, AMH-TCM, CW-TCM, VADD-TCM, HCBS Waivers, and all other forms of CM currently provided by counties. The Counties need to establish a unified opinion on these issues and outstanding issues need to have appropriate resolution, ideally prior to being presented to the legislature.

Administrative Simplification (optional):

[will this position lead to a programmatic/administrative simplification? If yes, please describe.]

Implementation Strategy:

Counties support the concept of reforming case management so that it is more transparent, better defined, more consistent among its many types, and differences among the types are deliberate and programmatically sound rather than arbitrary vestiges of history. However, for counties to support a potential legislative package, the following factors need to be addressed in the process:

- **Sub-contracted Rates:** As the first phase of this project, the 2021 Legislature granted DHS authority to alter the previous Minnesota process where counties set sub-contracted TCM rates through their contracts with no common statewide framework. Federal CMS has indicated that the State must have oversight and a statewide common rate-setting process for sub-contracted case management so the rates are similar or there is a transparency to why the rates are different. MACSSA will monitor the consequences of the direction selected by the state of having a single rate structure statewide and across all types of TCM. Although we support a common rate-setting process under DHS oversight, we have ongoing concerns about this particular direction in terms of both provider sustainability and its uneven impact on different counties across the state.
- **Access to Services:** We need to ensure there is uniform access across the state for case management services.
- **Target Populations:** The Case Management Redesign Project has indicated that it may consider redefining the target populations for TCM. There may be substantial advantages to simpler, broader definitions such as "children at risk" and so on. However, these advantages must be weighed against expanding a Medicaid entitlement with increased fiscal obligations. The best

definitions include individuals that counties were planning to serve anyway or where serving them makes it possible to avoid more intrusive, more expensive deep-end services. Poor definitions require unnecessary case management for individuals who will not significantly benefit.

- TCM versus HCBS Waiver Legal Authority: The Case Management Redesign Project has indicated that it may consider shifting the legal authority for long-term service case management from Home and Community-Based Services (HCBS) to Targeted Case Management (TCM) within the State Medicaid Plan. There may be advantages to this, such as excluding case management costs from individual waiver service budget ceilings, but these need to be weighed against any disadvantages that may come from the shift.
- Choice: choice represents an important value that can improve the quality of life, self-determination, and other outcomes. However, implementing choice in case management needs to balance the value of choice by and to case management recipients and their families with the realities of fiscal, legal, and practical constraints. This tension needs to be resolved with as much choice as practical for people being served while still leaving counties with the tools needed to work within those constraints.
- County Role: In potentially restructuring rates, counties must not be treated as “just another case management provider.” Counties contribute indispensable funding, including non-federal match and paying for recipients who are not currently on MA; are the provider of last resort; often take on the most difficult cases; in many situations represent the only entity willing or able to provide case management, and frequently pay for deep-end services when case management is ineffective.
- Rate Setting: In potentially restructuring rates for county staff-provided case management, the County cost-structure needs to be considered (both individually and collectively) and incorporated into any rate-setting changes to ensure that federal reimbursement for county expenditures is commensurate and adequate to cover costs.
- TCM and HCBS Rates: Wherever possible, bringing TCM and HCBS rate-setting processes into sync has many advantages. Previous analysis of rates paid for HCBS case management provided by county staff has suggested that current HCBS rates are not always adequate to cover costs, particularly where there is an efficient division of labor between case managers and support staff. The county cost structure should be taken more fully into account in the rate-setting and (if applicable) reconciliation process.
- Funding Mechanisms: Currently, case management activities are funded by Medicaid dollars (TCM or HCBS Waiver) and county levies. Particularly if a program is funded in any way by county levy dollars then the county cost structure needs to be considered in any rate-setting process.
- TCM Non-Federal Share: Currently counties provide the non-federal share for all flavors of TCM except Relocation Services Coordination (RSC). Although a complete state buy-out of the TCM non-federal share seems attractive at first blush, MACSSA is skeptical that it would be the best direction. An alternative to explore might be splitting the non-federal share between the state and the county in question. Three reasons for our skepticism on a complete buy-out include:
 1. A complete buy-out would be very expensive, and it’s unlikely that this would be the top county priority for how to use state funds for human services.
 2. History teaches that during such buy-outs the legislature always reduces county funding somewhere else, often in a less convenient manner where counties have even less control.
 3. Paying for all or part of the non-federal share guarantees a seat at the table as “not just another provider,” and case management is absolutely

central to how counties address human services.

- Certified Public Expenditures (CPE): Assuming that counties continue to shoulder some or all of the non-federal share of TCM, CPE is by far the better option. CMS regulations offer the choice of either Certified Public Expenditures (CPE) or Intergovernmental Transfer (IGT). There are many advantages to CPE, which is closer to the current process in Minnesota, and many downsides to IGT, which would require that counties pay the non-federal share in advance, even in cases where the funds would later come back to the same county.
- Reconciliation Process: Federal regulations probably require and counties support the idea of a reconciliation process for case management reimbursement. This could help ensure that county costs are covered. To be effective, such a reconciliation process must take all eligible county costs into account. Rather than being a separate, add-on process, it must be built into the ongoing, routine fiscal reporting already being done on a regular, quarterly basis by county fiscal staff, with adequate supporting functionality built into SSIS. Although federal regulations require only an annual reconciliation, this would run the risk of significant payouts or invoices. Instead, a quarterly process would make more sense so that accounts are settled frequently, avoiding large amounts being carried for long periods of time.
- SSTS Random Moments: There is a general agreement that it may make sense to explore moving away from the SSTS (Social Service Time Study) and instead to use time reporting as a way to gauge expenses. If we do that certain things need to be done first: SSIS needs to be upgraded and improved so it is more accurate, counties need a clear understanding of what is being measured and how it is being measured to ensure uniformity of reporting, and overhead and indirect costs must be taken into consideration and addressed in the rate structure. There needs to be a unified way of documenting time and activities that is transparent to counties as well as consistently communicated, trained, and followed.
- County Rate variability: The current bewildering array of county staff-provided case management rates does not represent actual differences in costs or service provision. Any potential replacement rate process needs to be equitable to all counties; transparent; reasonably consistent from year to year so we can budget appropriately; and any variations need to represent actual differences rather than exaggerating inconsistencies in data collection. A floor for county rates should be considered along with any variations.
- Managed Care Rates: Rates paid by managed care health plans need to be consistent with rates paid through fee-for-services. Otherwise, distortions get introduced that interfere with accessibility, continuity of service, etc.
- Define Support Roles: There is recognition that support staff can be of tremendous assistance in managing caseloads and paperwork if they are billable. Counties want to be at the table in establishing what that would look like, who would be eligible to bill, and what duties they could do.
- Added responsibilities: County levy dollars pay for many other costs associated with people receiving case management (e.g., placement cost, hold costs, housing, transportation, other service costs). The issue of how these costs will be managed for people who choose other providers, must be resolved.
- Outcomes: Case management is a service that is widely recognized as necessary to helping individuals receive supports to maintain community tenure, advance in recovery efforts, and achieve their fullest potential towards reaching their dreams. Despite this recognition of the need for case management services, a defined menu of outcomes for case management

does not exist. Whether a part of, or separate from this redesign effort, we need to be sure that DHS is partnering with counties, community providers, and people being supported by the service to define a common set of agreed upon outcomes and a means to measure them, by which services can be determined to be adding value to the system.

- Adequate State Funds Required: Minnesota's human services system has been built on federal case management funding. From the beginning of the state's Case Management Redesign Project, counties have pointed out and the state has acknowledged that there would almost certainly be winners and losers as rate-setting processes are changed, and that state funds would be necessary to blunt any losses faced by counties no longer receiving indispensable case management funding. In contrast, the sub-contracted rate phase of this project was implemented while facing a federal deadline but without needed state funds or even a budget request, and with fiscal estimates not available until well into the legislative session. This must not be repeated. County-by-county fiscal estimates must be available months ahead of the legislative session at which county staff-provided case management rates would be considered, with an adequate budget request to fill in gaps left by resulting funding decreases. State funding must also be obtained for needed upgrades to SSIS and other relevant state systems.

Long Description:

The Department of Human Services continues to lead a multi-phase Case Management Redesign Project. There is a substantial amount of county levy dollars currently attached to case management and case management has become central to how Minnesota human services are provided and financed. In addition, there are significant amounts of ancillary services that are county funded. In many cases, counties end up picking up the tab when case management is ineffective. As such, it is critical that counties develop a strategic, unified position on case management in general and on choice in particular. The funding process and mechanisms will likely be complicated and controversial, with major repercussions for counties and the people we serve. If we do not have a united voice in the process we run the risk of being dependent on others, those who do not fund the programs or have responsibilities for the outcomes, to make the decisions.

Additional Information:



Submitted by: Stacy Hennen, Mike Herzing, John Sellen, Janet Nilsen

Approved by: [insert the name of the program committee] on [insert date position was approved]

Date Approved by Legislative Committee: [insert date]