



Minnesota Department of **Human Services**

DD Waivers Budget Allocation Methodology County Handbook

Training

**PART II
Dec. 2013**

Table of Contents

Glossary of Terms:.....	3
Enrollment Terms: (to be used with the Enrollment WMS pages)	6
Allocation Structure.....	8
Allocation Calculation Page.....	9
Allocation Calculation Page Components:	10
TRIANGULATION.....	12
Policy:.....	12
Rationale for Policy:	12
Person(s) Responsible:	12
Process:	12
Step 1: Determine county-specific billing patterns	14
Step 2: Analyze statistical variance of county billing patterns	15
Step 3: Determine statewide billing patterns.....	17
Step 4: Create county cell values	18
Enrollment.....	19
Tracking Page	19
Enrollment Tracking Page Components:	20
Enrollment Listing Page	22
Enrollment Listing Page Components:.....	23
Age and Residential Grid Page	24
Age and Residential Grid Page Components:	25
DSD ListServ Announcement	26
Ratio of allowable to paid claims.....	28
Calculating the Ratio of Allowable to Paid Claims:	28
Safety Net Policy.....	29
Modeling Files.....	32
Projected Allocation to Paid Calculation Page	34
Projected Allocation to Paid Calculation Page Components:.....	35
Authorized, Allowable, Paid Summary Page	36
Authorized, Allowable, Paid Summary Page Components:.....	36
How to Get to Your County Allocation:.....	37

Glossary of Terms:

Base Budget	A calculation which reflects the portion of the counties' budgets that is based on cell values and enrollment counts. The formula for the base budget equals the sum of the cell values times the enrollment counts times 365 in each age bracket.
Basic Enrollment	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 up to the enrollment maximum created by DHS. 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.
Cell Values	The daily weighted average refers to six age brackets that reflect waiver service costs including those related to place of residence. These averages are determined for each county as well as for the entire state.
CFR Transfers	County of Financial Responsibility (CoFR) - Allocation funding that is transferred from one county to another when an individual moves to a new county of residence, The statewide cell value amount will automatically transfer when a CoFR Transfer occurs
Coefficient of Variance	The coefficient of variation represents the ratio of the standard deviation to the mean, and it is a useful statistic for comparing the degree of variation from one data series to another, even if the means are drastically different from each other. (www.investopedia.com) When assessing precision, the lower the CV percentage, the better the precision between replicates. (www.wikipedia.com)

DD Budget Allocation Methodology
County Training
 TRAINING HANDBOOK

CoFR Transfer	County of Financial Responsibility (CoFR) - Allocation funding that is transferred from one county to another when an individual moves to a new county of residence, The statewide cell value amount will automatically transfer when a CoFR Transfer occurs.
Conversion	Allocation funding that is available when a person leaves an ICF/DD to receive waiver services in the community, and the bed that they occupied in the ICF/DD is decertified. Counties will receive the state wide cell value for any conversions
Diversion	Allocation funding that is available to provide waiver services for individuals who meet an ICF/DD level of care in the community. The number of new allocations available every calendar year is determined by the legislature and allocated by DHS. Counties will receive the state wide cell value for each available diversion
Legislative Changes	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.
Modeling Files	WMS tool created to help counties understand the impact of their decisions in the new budget allocation methodology.
Ratio of Allowable to Paid Claims	Addition to county allocations based on the average difference between each county's allocation and paid claims of the last five years.
Recalibration	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.
Safety Net	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.

DD Budget Allocation Methodology
County Training
TRAINING HANDBOOK

Service Intensity	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.
Standard Deviation	A measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. Standard deviation is calculated as the square root of variance. (www.investopedia.com)

Enrollment Terms: (to be used with the Enrollment WMS pages)

Allocations Available	The number of new allocations available to the county. Counties will receive the statewide cell value amount for these new allocations.
Basic Enrollment	Enrollment is defined as the total unduplicated number of participants with open service agreements in each county identified from September through November of the previous calendar year in Waiver Management System. These numbers will remain static for the year.
CoFR Transfer Out	The number of people in each enrollment category that have transferred financial responsibility from the county to receive services from another county as of the last WMS download. The statewide cell value amount will be automatically transferred when a CoFR Transfer occurs.
Current Enrollment	The number of people currently enrolled in each enrollment category. This column is a sum of the starting Enrollment – Exits – CoFR Transfers Out + Refills from Service Optimization, and represents the county’s total number of enrolled participants as of the last WMS download.
Enrollment	The number of people in each enrollment category as of January first of the stated year.
Exits	The number of people in each enrollment category that have exited the waiver as of the last WMS download. The county has closed the MMIS service agreements for these individuals.
Refilled from Service Optimization	The number of vacancies the county refilled in each enrollment category from service optimization or the waiting list as of the last WMS download. The county will receive the county cell value associated with the age bracket of the individual they choose to refill the vacancy. The number of individuals who fill vacancies in a county may not exceed the number of people who exited the waiver.
Service Optimization	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, all participants being served through service optimization will be included in the enrollment count.

DD Budget Allocation Methodology

County Training

TRAINING HANDBOOK

Vacancies	The number of vacancies that a county has available to refill due to people exiting the waiver in each enrollment category as of the last WMS download. The county will receive the county cell value associated with the age bracket of the individual they choose to refill the vacancy. The number of individuals who fill vacancies in a county may not exceed the number of people who exited the waiver.
-----------	--

Allocation Structure

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

DD Budget Allocation Methodology
County Training
TRAINING HANDBOOK

Allocation Calculation Page

Allows counties to see exactly how their allocation is calculated using all components of the methodology.

Allocation Calculation

Age Group	Rate	2009	2010	2011	2012	2013	2014 (Recalibration)
Basic Enrollment Count (County Cell Values)							
61+	Actual	\$ 172.00					
	Projected						
41 to 60	Actual	\$ 168.00					
	Projected						
22 to 40	Actual	\$ 159.00					
	Projected						
14 to 21	Actual	\$ 149.00					
	Projected						
7 to 13	Actual	\$ 140.00					
	Projected						
0 to 6	Actual	\$ 129.00					
	Projected						
New Conversion/Diversion/Co Transfer In Count (State Cell Values)							
61+	Actual	\$ 202.40					
	Projected						
41 to 60	Actual	\$ 206.15					
	Projected						
22 to 40	Actual	\$ 189.07					
	Projected						
14 to 21	Actual	\$ 120.85					
	Projected						
7 to 13	Actual	\$ 82.18					
	Projected						
0 to 6	Actual	\$ 96.63					
	Projected						
Total Basic	Actual						
	Projected						
Total New	Actual						
	Projected						
Total Serv Opt	Actual						
	Projected						
Total Enrollment	Actual						
	Projected						
\$ Calculation							
Basic Budget \$	Actual						
New Budget \$	Actual						
	Projected						
Service Intensity \$	Actual						
	Projected						
Legislative Change \$	Actual						
	Projected						
Ratio \$	Actual						
	Projected						
Safety Net \$	Actual						
	Projected						
Other \$	Actual						
	Projected						
Total Allocation \$	Actual						
	Projected						
	Simulated						

Allocation Calculation Page Components:

- Basic Enrollment Count - the total unduplicated number of participants with open service agreements in each county identified from September through November of the previous calendar year in Waiver Management System up to your county enrollment maximum.
 - Age Group – The six age brackets that represent usual changes in service costs for people on the DD Waiver in the State of Minnesota
 - Actual - Current number of basic enrollees as downloaded from service agreements in MMIS
 - Projected - Number of basic enrollees which reflects automatic changes in the system such as the aging of individuals into new age bracket
 - Simulated - Number of basic enrollees which reflects modeled actions from county determined scenarios
 - Cell Value – The county average cell value for each age bracket based on the county costs from the most recent recalibration.

- New Conversion/Diversion CFR Transfer Count - the total unduplicated number of participants with open service agreements in each county that have entered the waiver as a conversion, diversion or CFR Transfer In since the most recent recalibration.
 - Age Group - The six age brackets that represent usual changes in service costs for people on the DD Waiver in the State of Minnesota
 - Actual - Current number of new enrollees as downloaded from service agreements in MMIS
 - Projected - Number of new enrollees which reflects automatic changes in the system such as the aging of individuals into new age bracket
 - Simulated - Number of new enrollees which reflects modeled actions from county determined scenarios
 - Cell Value – state wide average cell value for each age bracket based on the county costs from the most recent recalibration

- Total Counts
 - Total Basic – Total number of enrollees accounted for in basic enrollment
 - Total New – Total number of enrollees accounted for in new conversions, diversions, and CFR Transfers In
 - Total Service Optimization – Total current number of people added to the waiver with no new funding since the last recalibration
 - Total Enrollment – Sum of total basic, total new, and total service optimizations

- \$ Calculation
 - Basic Budget – Dollars associated with people being served through basic enrollment

DD Budget Allocation Methodology
County Training
TRAINING HANDBOOK

- New Budget – Dollars associated with people being served through new allocations (conversions, diversions, and CFR Transfers In)
- Service Intensity – Per person service intensity amount added to county allocations to meet the changing needs of individuals served.
- Legislative Changes - % change to county allocations based on legislative decisions such as the provider rate increase
- Ratio \$ - Addition to county allocations based on the average difference between each county's allocation and paid claims of the last five years.
- Safety Net \$ - Dollars added to county allocation to meet sudden and unexpected increases in cost due to individual need.
- Other \$ - Other dollars added to county allocations.
- Total Allocation – County total allocation based on methodology components.

Triangulation

Policy:

DHS will update county and statewide cell values every five years to reflect the change in the costs of providing services in each county. The first recalibration will take place in 2009 and every five years thereafter.

Rationale for Policy:

DHS will recalibrate cell values every five years in order to:

- Update cost information on a consistent basis
- Avoid the institutionalization of costs from a point in time
- Allow counties time to adjust to allocations with an expected cell value
- Give counties an incentive to explore less costly-more independent residential settings

Person(s) Responsible:

Waiver Policy Staff & DSD WMS Developer

Process:

DHS will recalibrate cell values in the months before a recalibration year occurs and release cell values as soon as possible for county planning purposes. In order to recalibrate cell values, DHS will take the following steps: (See diagrams on pages 17 - 21 for sample triangulation calculations.)

- Step 1: Determine county-specific billing patterns
 - Look at the cumulative paid claims at the end of each month for each county for the previous three years.
- Step 2: Analyze statistical variance of county billing patterns
 - Average
 - Take the average cumulative paid claims for each month for each county for the previous three years.
 - The average tells us what their likely billing pattern will be
 - Standard Deviation
 - Take the standard deviation of the average claims paid for each month for each county.
 - The standard deviation tells us how much the yearly averages vary from one another. The smaller the standard deviation, the less variable the average is from the mean.
 - Coefficient of Variance
 - Take the coefficient of variance of the average claims paid for each month for each county.

- The coefficient of variance is a more rigorous measure of reliability because it takes out any variation for number that have very different means. The smaller the coefficient of variance, the less variable the average is from the mean.
- Step 3: Determine statewide billing patterns in order to choose the most accurate month of data. This data will be used to create county cell values.
 - Compare the average of the coefficients of variance for all counties on a monthly basis.
 - The month with the lowest standard deviation balanced against the earliest possible release date will be the month used to create county cell values.
- Step 4: Create county cell values. For each age bracket:
 - Take the triangulation % from the month used to create cell values
 - Take the total cumulative claims paid as of the end of that month
 - Determine the projected total paid in the year before recalibration (Total Paid Claims/Triangulation %)
 - Determine the number of cumulative waiver days for paid claims (365 per person) to create cell values
 - Create county cell values by using the following formula:
Projected Total Paid in 2008/Cumulative Waiver Pays

DD Budget Allocation Methodology
County Training
TRAINING HANDBOOK

Step 1: Determine county-specific billing patterns

Small County Triangulation Example

Month	Year	2004		2005		2006	
		Cumulative Paid Claims	Cumulative % Paid	Cumulative Paid Claims	Cumulative % Paid	Cumulative Paid Claims	Cumulative % Paid
		A	B	C	D	E	F
January	1	\$23,483	0.52%	\$19,411	0.43%	\$24,037	0.53%
February	1	\$354,257	7.91%	\$338,634	7.44%	\$350,945	7.79%
March	1	\$691,676	15.44%	\$695,218	15.28%	\$732,494	16.25%
April	1	\$1,038,278	23.18%	\$1,055,596	23.19%	\$1,079,933	23.96%
May	1	\$1,431,562	31.96%	\$1,387,970	30.50%	\$1,496,257	33.20%
June	1	\$1,835,348	40.98%	\$1,789,299	39.31%	\$1,874,326	41.59%
July	1	\$2,153,952	48.09%	\$2,176,615	47.83%	\$2,224,535	49.36%
August	1	\$2,548,798	56.91%	\$2,582,533	56.74%	\$2,568,221	56.98%
September	1	\$2,931,217	65.44%	\$2,936,274	64.52%	\$2,894,005	64.21%
October	1	\$3,317,493	74.07%	\$3,293,515	72.37%	\$3,278,304	72.74%
November	1	\$3,735,749	83.41%	\$3,728,934	81.93%	\$3,699,786	82.09%
December	1	\$4,119,026	91.96%	\$4,118,336	90.49%	\$4,086,714	90.68%
January	2	\$4,386,648	97.94%	\$4,419,939	97.12%	\$4,408,520	97.82%
February	2	\$4,416,266	98.60%	\$4,495,561	98.78%	\$4,467,975	99.14%
March	2	\$4,447,278	99.29%	\$4,532,332	99.59%	\$4,470,692	99.20%
April	2	\$4,469,597	99.79%	\$4,538,654	99.72%	\$4,491,548	99.66%
May	2	\$4,471,942	99.84%	\$4,543,672	99.83%	\$4,492,383	99.68%
June	2	\$4,473,046	99.87%	\$4,543,672	99.83%	\$4,493,250	99.70%
July	2	\$4,476,163	99.94%	\$4,550,749	99.99%	\$4,494,331	99.72%
August	2	\$4,476,163	99.94%	\$4,550,749	99.99%	\$4,506,883	100.00%
September	2	\$4,477,475	99.97%	\$4,550,815	99.99%	\$4,506,883	100.00%
October	2	\$4,477,497	99.97%	\$4,550,815	99.99%	\$4,506,883	100.00%
November	2	\$4,478,911	100.00%	\$4,551,190	100.00%	\$4,506,883	100.00%

DD Budget Allocation Methodology
County Training
TRAINING HANDBOOK

Step 2: Analyze statistical variance of county billing patterns

Small County Triangulation Example (cont.)

Month	Year	2004		2005		2006	
		Cumulative Paid Claims	Cumulative % Paid	Cumulative Paid Claims	Cumulative % Paid	Cumulative Paid Claims	Cumulative % Paid
		A	B	C	D	E	F
January	1	\$23,483	0.52%	\$19,411	0.43%	\$24,037	0.53%
February	1	\$354,257	7.91%	\$338,634	7.44%	\$350,945	7.79%
March	1	\$691,676	15.44%	\$695,218	15.28%	\$732,494	16.25%
April	1	\$1,038,278	23.18%	\$1,055,596	23.19%	\$1,079,933	23.96%
May	1	\$1,431,562	31.96%	\$1,387,970	30.50%	\$1,496,257	33.20%
June	1	\$1,835,348	40.98%	\$1,789,299	39.31%	\$1,874,326	41.59%
July	1	\$2,153,952	48.09%	\$2,176,615	47.83%	\$2,224,535	49.36%
August	1	\$2,548,798	56.91%	\$2,582,533	56.74%	\$2,568,221	56.98%
September	1	\$2,931,217	65.44%	\$2,936,274	64.52%	\$2,894,005	64.21%
October	1	\$3,317,493	74.07%	\$3,293,515	72.37%	\$3,278,304	72.74%
November	1	\$3,735,749	83.41%	\$3,728,934	81.93%	\$3,699,786	82.09%
December	1	\$4,119,026	91.96%	\$4,118,336	90.49%	\$4,086,714	90.68%
January	2	\$4,386,648	97.94%	\$4,419,939	97.12%	\$4,408,520	97.82%
February	2	\$4,416,266	98.60%	\$4,495,561	98.78%	\$4,467,975	99.14%
March	2	\$4,447,278	99.29%	\$4,532,332	99.59%	\$4,470,692	99.20%
April	2	\$4,469,597	99.79%	\$4,538,654	99.72%	\$4,491,548	99.66%
May	2	\$4,471,942	99.84%	\$4,543,672	99.83%	\$4,492,383	99.68%
June	2	\$4,473,046	99.87%	\$4,543,672	99.83%	\$4,493,250	99.70%
July	2	\$4,476,163	99.94%	\$4,550,749	99.99%	\$4,494,331	99.72%
August	2	\$4,476,163	99.94%	\$4,550,749	99.99%	\$4,506,883	100.00%
September	2	\$4,477,475	99.97%	\$4,550,815	99.99%	\$4,506,883	100.00%
October	2	\$4,477,497	99.97%	\$4,550,815	99.99%	\$4,506,883	100.00%
November	2	\$4,478,911	100.00%	\$4,551,190	100.00%	\$4,506,883	100.00%

3 Year Average	Standard Deviation	Coefficient of Variance
G	H	I
0.49%	0.05%	9.77896365%
7.71%	0.20%	2.57450088%
15.66%	0.43%	2.72554583%
23.45%	0.36%	1.55678287%
31.89%	1.10%	3.46422829%
40.63%	0.96%	2.36433202%
48.42%	0.67%	1.38168329%
56.88%	0.10%	0.17602113%
64.72%	0.52%	0.80959970%
73.06%	0.73%	1.00037948%
82.48%	0.66%	0.80117940%
91.04%	0.66%	0.72036136%
97.62%	0.36%	0.37182350%
98.84%	0.22%	0.22538670%
99.36%	0.17%	0.16626713%
99.73%	0.05%	0.05416973%
99.79%	0.08%	0.07631746%
99.80%	0.07%	0.07426520%
99.88%	0.12%	0.11659687%
99.98%	0.03%	0.02693638%
99.99%	0.01%	0.01360183%
99.99%	0.01%	0.01337878%
100.00%	0.00%	0.00000000%

DD Budget Allocation Methodology
County Training
TRAINING HANDBOOK

Step 2: (continued) Analyze statistical variance of county billing patterns

Month	Year	3 Year Average G	Standard Deviation H	Coefficient of Variance I
January	1	0.49%	0.05%	9.77896365%
February	1	7.71%	0.20%	2.57450088%
March	1	15.66%	0.43%	2.72554583%
April	1	23.45%	0.36%	1.55678287%
May	1	31.89%	1.10%	3.46422829%
June	1	40.63%	0.96%	2.36433202%
July	1	48.42%	0.67%	1.38168329%
August	1	56.88%	0.10%	0.17602113%
September	1	64.72%	0.52%	0.80959970%
October	1	73.06%	0.73%	1.00037948%
November	1	82.48%	0.66%	0.80117940%
December	1	91.04%	0.66%	0.72036136%

Coefficient of Variance (CV) = (Standard Deviation / Average) * 100

Standard Deviation: The practical value of understanding the standard deviation of a set of values is in appreciating how much variation there is from the "average" (mean).

Coefficient of Variance: The ratio of the standard deviation to the mean. When assessing precision, the lower the CV percentage, the better the precision between replicates.

Step 3: Determine statewide billing patterns

Do this in order to choose the most accurate month of data. This data will be used to create county cell values.

Statewide Average of
Each County's Coefficient
of Variance

Month	Average CV
April	3.84278412%
May	4.66534737%
June	2.58445704%
July	2.34924761%
August	1.94549553%
September	1.70984393%
October	2.09153186%
November	1.09983854%
December	0.90670546%

DD Budget Allocation Methodology
County Training
TRAINING HANDBOOK

Step 4: Create county cell values

Small County Triangulation Example (cont.)

Age	Triangulation % from August 2008	Total Paid Claims as of 8/30/2008	Projected Total Paid in 2008	Waiver Days per person	Cell Value for 2009 - 2014
61+	56.88%	\$178,229.31	\$313,351.50	365	\$ 186.65
41-60	56.88%	\$ 1,000,084.47	\$1,758,285.20	365	\$ 208.79
22-40	56.88%	\$ 1,141,364.20	\$2,006,674.27	365	\$ 155.78
14-21	56.88%	\$343,484.34	\$603,892.42	365	\$ 131.60
7-13	56.88%	\$3,662.98	\$6,440.02	365	\$ 16.83
0-6	56.88%	-	-	-	-
Total	56.88%	\$ 2,894,004.67	\$ 4,688,643.40	365	\$ 167.73

Enrollment

Tracking Page

Allows counties to track their actual, projected and simulated enrollment types, vacancies and allocations available.

Enrollment

2009 (drop down)

Enrollment Type		Enrollment - Initial	Exits	CoFR Transfer Out	Refilled from SO	Enrollment - Last	Vacancies	Allocations Available
Basic Enrollment	Actual	30				30		
	Projected	30				30		
	Simulated							
New Conversion	Actual	1	1			0	1	
	Projected	1	1			0	1	
	Simulated							
New Diversion	Actual	1				1		1
	Projected	1				1		1
	Simulated							
CoFR Transfer In	Actual	1				1		
	Projected	1				1		
	Simulated							
Service Opt	Actual	3				3		
	Projected	3				3		
	Simulated							
Total	Actual	36	0	0	0	35	1	1
	Projected	36	0	0	0	35	1	1
	Simulated							

Potential	10		10
-----------	----	--	----

Enrollment Tracking Page Components:

- Enrollment Type:
 - Basic Enrollment - Enrollment is defined as the total unduplicated number of participants with open service agreements in each county identified from September through November of the previous calendar year in Waiver Management System up to your county enrollment maximum. These numbers will remain static for the year.
 - New Conversion - Allocation funding that is available when a person leaves an ICF/DD to receive waiver services in the community, and the bed that they occupied in the ICF/DD is decertified. Counties will receive the statewide cell value for any conversions.
 - New Diversion - Allocation funding that is available to provide waiver services for individuals who meet an ICF/DD level of care in the community. The number of new allocations available every calendar year is determined by the legislature and allocated by DHS. Counties will receive the statewide cell value for each available diversion.
 - CoFR Transfer In - County of Financial Responsibility (CoFR) - Allocation funding that is transferred into one county from another when an individual moves to a new county of residence. NEW POLICY: The statewide cell value amount will automatically transfer when a CoFR Transfer occurs. This will happen automatically when WMS downloads from MMIS. WMS will automatically track a CFR transfer out when a county fills in a waiver exit and transfer on the service agreement. WMS will automatically track a CFR transfer in when the new CFR waivers in that individual.
 - 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, every five years, all participants being served through service optimization will be included in the enrollment count.
 - Total - The total number of people a county has served in the current calendar year.

- Column Headers:
 - Enrollment - Initial: The number of people in each enrollment category as of January first of the stated year.
 - Exits - The number of people in each enrollment category that have exited the waiver as of the last WMS download. The county has closed the MMIS service agreements for these individuals. If the individual that exited was from a funded allocation slot and was not a CoFR transfer out, this will create a vacancy for the county to fill.
 - CoFR Transfer Out - The number of people in each enrollment category that have transferred financial responsibility from the county to receive services from another county as of the last WMS download. The statewide

- cell value amount will be automatically transferred when a CoFR Transfer occurs. NOTE: Person may show as a vacancy until other county waivers in. Be sure to have open lines of communication with new CoFR county to be sure that you are refilling a vacancy that exists and not one falsely created by a incomplete CoFR transfer.
- Refilled from Service Optimization - The number of vacancies the county refilled in each enrollment category from service optimization or the waiting list as of the last WMS download. The county will receive the cell value associated with the age bracket of the individual they choose to refill the vacancy. The number of individuals who fill vacancies in a county may not exceed the number of people who exited the waiver.
 - Enrollment – Last - The number of people currently enrolled in each enrollment category. This column is a sum of the starting Enrollment – Exits – CoFR Transfers Out + Refills from Service Optimization, and represents the county’s total number of enrolled participants as of the last WMS download. These are the numbers that will let a county know its most recent enrollment.
 - Vacancies - The number of vacancies that a county has available to refill due to people exiting the waiver in each enrollment category as of the last WMS download. The county will receive the county cell value associated with the age bracket of the individual they choose to refill the vacancy. The number of individuals who fill vacancies in a county may not exceed the number of people who exited the waiver.
 - Allocations Available - The number of new allocations available to the county. This reflects any diversion allocations the county was given at the beginning of a calendar year. Counties will receive the statewide cell value amount for these new allocations.

Enrollment Listing Page

provides counties with additional information regarding the people enrolled on the waiver.

Enrollment Listing

CY	Name/ Pmin	Cofr	Age	Age Group	Residence	Days (Actual/Proj)	Auth Average (Actual/Proj)	Paid Avg (Actual/Proj)
2009	John Smith 12345678	X	52	41 - 60	FC SS	352	\$205.00	\$184.50
						365	\$200.00	\$185.00
2009	Jennifer Johnson 87654321	X	16	14 - 21	Family	168	\$82.00	\$73.80
						365	\$80.00	\$70.00
2009	Steve Sun 45678912	X	24	22 - 40	FC Family	297	\$112.00	\$100.80
						365	\$115.00	\$100.00

Enrollment Listing Page Components:

- Column Headers:
 - CY – Calendar Year
 - Name/PMIN – Participant name and PMIN
 - CoFR – County of Financial Responsibility
 - Age – The age the client will be as of December 31st of the current year
 - Age Group - The age bracket the client will be as of December 31st of the current year
 - Residence – The client’s residential setting as listed on the DD Screening Document
 - Days (Actual/Projected) – The number of days the person will be on the waiver in the calendar year
 - Auth Average (Actual/Projected) – The average amount that a county has authorized for all services for the client
 - Paid Average (Actual/Projected) - The average amount that a county has paid for all services for the client

DD Budget Allocation Methodology
County Training
TRAINING HANDBOOK

Age and Residential Grid Page

Allow counties to access information about enrolled individual's residential settings.

Age and Residential Grid

2009 (drop down)
 Number of Recipients

Age	Recipient Type	Total	Family (Immed/ Ext)	Foster Care - Family	Foster Care - Live In Caregiver	Foster Care - Shift Staff	Own Home (unlic < 24 hr sup)	Own Home (unlic w/ 24 hr sup)	Other Residential
61+	Actual								
	Projected								
	Simulated								
41 to 60	Actual								
	Projected								
	Simulated								
22 to 40	Actual								
	Projected								
	Simulated								
14 to 21	Actual								
	Projected								
	Simulated								
7 to 13	Actual								
	Projected								
	Simulated								
0 to 6	Actual								
	Projected								
	Simulated								
Overall	Actual								
	Projected								
	Simulated								

Paid Per Day

Age	Recipient Type	Total	Family (Immed/ Ext)	Foster Care - Family	Foster Care - Live In Caregiver	Foster Care - Shift Staff	Own Home (unlic < 24 hr sup)	Own Home (unlic w/ 24 hr sup)	Other Residential
61+	Actual								
	Projected								
	Simulated								
41 to 60	Actual								
	Projected								
	Simulated								
22 to 40	Actual								
	Projected								
	Simulated								
14 to 21	Actual								
	Projected								
	Simulated								
7 to 13	Actual								
	Projected								
	Simulated								
0 to 6	Actual								
	Projected								
	Simulated								
Overall	Actual								
	Projected								
	Simulated								

Age and Residential Grid Page Components:

- Number of Recipients:
 - Age - The six age brackets that represent usual changes in service costs for people on the DD Waiver in the State of Minnesota
 - Recipient Type – Reflects actual, projected, or simulated changes
 - Total – The total number of people enrolled in each age bracket
 - Residential Setting – Number of enrollees in each of the seven residential living arrangements from the service agreement.

- Paid per Day
 - Age - The six age brackets that represent usual changes in service costs for people on the DD Waiver in the State of Minnesota
 - Recipient Type - Reflects actual, projected, or simulated changes
 - Total – The total dollars associated with serving the participants enrolled in each age bracket
 - Residential Setting - The total dollars associated with serving the participants enrolled in each of the seven residential living arrangements from the service agreement.

DSD ListServ Announcement

Date: June 12, 2008

To: County DD Waiver contacts and other interested parties

From: Waiver Policy staff, Disability Services Division

Subject: Information regarding county enrollment numbers for the DD Budget Allocation Methodology

Effective Date: Sept. 1, 2008

Purpose of E-mail: To provide county DD Waiver contacts and other interested parties with an overview of county basic enrollment maximums within the new DD Budget Allocation Methodology.

As part of the new state to county budget allocation methodology for the Developmental Disabilities (DD) Waiver, DHS will base county allocations, in part, on the number of people a county serves. As stated in Bulletin 07-56-03, 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. DHS will use this basic enrollment count to create county allocations using the following steps:

- 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

DD Waiver Plan language states that, “The county agency shall not spend Medical Assistance funding for waiver or State plan home care services beyond its allocation including accounting for future needs of current recipients.” As Minnesota transitions to a budget allocation methodology that uses enrollment count as a building block to create county allocations, it is important to assure that county agencies do not enroll more individuals than they can afford to serve within their 2008 Medical Assistance allocations.

In order to avoid a disproportionate increase in the number of people enrolled on the DD Waiver, DHS has created county-specific basic enrollment maximums.

These maximums represent the maximum number of individuals that DHS will use to create a base budget for each county's.

DHS created these maximums using three components: (1) county 2007 unduplicated client count, (2) number of conversions and diversions allocated to each county in 2008, and (3) number of new people a county could afford to serve within their 2008 allocation based on several factors; these factor include the difference between county allowable and paid claims, the average county cost to serve one individual, and an acceptable level of statewide risk. If any county would like further information on how the county basic enrollment maximums were calculated, please contact your regional staff.

Important points for county reference:

- DHS created basic enrollment maximums in order to maintain the forecasted growth of the DD waiver program and avoid the effects of an unexpected increase in the number of people enrolled on the DD Waiver.
- According to current enrollment numbers in the Waiver Management System, no county has currently exceeded their basic enrollment maximum.
- No county is required to serve the maximum basic enrollment determine by the state.
- The basic enrollment maximum will be adjusted accordingly if a county receives additional allocations in 2008.
- Basic enrollment maximums determine the base enrollment funded as of January 1, 2009, and do not include additional conversions, diversions, or other new allocations that county may receive in CY 2009.
- In January of 2009, DHS will calculate the county's allocation based on the number of participants served up to basic enrollment maximum. If a county wishes to serve more individuals than its basic enrollment maximum, it can choose to do so through service optimization. Any additional individuals being served will be tracked in the Waiver Management System as Service Optimization. The county will not receive enrollment-specific funding for these individuals.
- If a county chooses to serve more individuals than its basic enrollment maximum, it can choose which individuals will be included in its basic enrollment count through a new page on the Waiver Management System. Counties will receive training on how to use this page in fall of 2008.

Ratio of allowable to paid claims

Calculating the Ratio of Allowable to Paid Claims:

Step 1: Look at each county's difference between allowable and paid for the past five years. To account for the fact that claim information does not all come in usually until 6 months after the close of the year, we will calculate the ratio using the following example – for 2009, we will use the percentage % from 2007, 2006, 2005, 2004, and 2003.

Step 2: Take the average difference between allowable and paid claims for that five-year period.

Step 3: Add that percentage back in every year for the five years between recalibrations.

Step 4: At recalibration, a new ratio of allowable to paid claims will be calculated using the previous five year period.

Sample 2009 Ratio Calculation:

	2003		2004		2005		2006		2007		Overall	
	03 Balance	03 Percent*	04 Balance	04 Percent*	05 Balance	05 Percent*	06 Balance	06 Percent*	07 Balance	07 Percent*	Avg Balance	04-07 Avg %
County A	\$77,282	1.79%	\$5,769	0.13%	\$137,343	2.93%	\$346,371	7.14%	\$337,739	6.71%	\$206,805	3.74%

*Negative percents adjusted to zero

Sample 2009 County Allocation Based on Ratio:

Age	Cell Value for 2009 - 2014	Enrollment Count	Base Budget*	Service Intensity (Formerly Acuity)	Legislative Changes	Ratio of Allowable to Paid Claims	Total Allocation
61+	\$ 186.65	5	\$340,636				
41-60	\$ 208.79	22	\$1,676,584				
22-40	\$ 155.78	34	\$1,933,230				
14-21	\$ 131.60	12	\$576,408				
7-13	\$16.83	1	\$6,143				
0-6	\$-	0	\$0				
Total	\$ 167.73	74	\$4,940,971	\$51,800	\$99,855	\$190,464	\$5,283,090

Safety Net Policy

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 the previous three year period. Based on this analysis there will be counties that are not eligible to access the safety net.
 - This calculation identifies a fiscal threshold prior to accessing 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 below criteria 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:
 - 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-DD 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.)
 - 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.

- **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.
 - 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
- **County of Financial Responsibility Transfers.** There may be times when a person will transfer CoFR. If the safety net is involved in the transfer, follow the policies below:
 1. Original CFR is eligible for and is using the safety net:
 - (a) If the individual is transferring to a county that is not eligible for the safety net, then the dollars associated with the safety net will not transfer
 - (b) If the individual is transferring to a county that is eligible for the safety net, and the county has met its event criteria, then the money associated with the safety net will transfer
 - (c) If the individual is transferring to a county that is eligible for the safety net, and the county has not met its event criteria, the county will follow the criteria listed above for meeting its event criteria. The CFR transfer will count as an event if the county will be spending \$100 a day more than the statewide average cell value that will transfer.
 2. Original CFR is not eligible for the safety net:
 - (a) If the individual is transferring to a county that is not eligible for the safety net, then the dollars associated with the safety net will not transfer
 - (b) If the individual is transferring to a county that is eligible for the safety net, and the county has met its event criteria, then the

county can apply for the safety net. The county will pay a co-payment of \$100 a day. In this case safety net funding = cost for services – statewide average cell value - \$100 a day co-payment

(c) If the individual is transferring to a county that is eligible for the safety net, and the county has not met its event criteria, the county will follow the criteria listed above for meeting its event criteria. The CFR transfer will count as an event if the county will be spending \$100 a day more than the statewide average cell value that will transfer. **Closures and Other Agreements.** The DD Waiver plan states that, the department may also adjust county allocations for other agreements as required to meet the health and safety needs of enrollees. Should the department choose to use Safety Net funding to meet the needs, the following policies should be observed:

- A county that initiates an ICF/DD closure or downsizing *shall not* receive additional resources in their allocation, beyond the daily weighted average for the enrollees for whom they are financially responsible.
- All counties are eligible to access funding due to the closures and other agreements to meet health and safety when their allocations are affected by an ICF/DD closure or downsizing initiated by another county.
- The county whose allocation is affected will receive either a conversion or a diversion allocation to serve an individual due to a closure or other agreement. The county will receive the statewide average cell value to serve these individuals.
- The county will pay a co-payment of \$100 a day to provide service to individuals entering the waiver through closures and other agreements
- The Department will pay for the balance of these individuals' services through safety net funding. For these individuals, safety net funding = cost for services – statewide average cell value - \$100 a day co-payment.
- 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.
- A county who receives the safety net due to a closure or other agreement may apply to have the co-payment requirement waived in the following circumstances:
 - Paying the \$100 a day co-payment will cause the county to overspend its allocation. The county must show documentation through the Waiver Management System.

Modeling Files

Projected Changes Paid – Allows counties to enter projected changes into the system for modeling purposes.

Projected Changes

Enrollment

<select recipient from list>

Projected Action	
Include in Proj	
Proj Action Date	
Residence	
Proj Auth per Day	

<drop down list>

New conv, new div, so, cofr in, cofr out, exit

<radio>

Yes, No

cell value=<auto fill>

current res=<auto fill>

fe, ff, fl, fs, hl, hw, ot

proj paid per day=<auto fill>

Legislative Changes

CY	Effective Date	Actual Percent	Projected Percent
2008	10/01/2008	2.0000	2.0000
2009	07/01/2009	0.0000	1.0000
2010	07/01/2010	0.0000	1.0000
2011	07/01/2011	0.0000	1.0000
2012	07/01/2012	0.0000	1.0000
2013	07/01/2013	0.0000	1.0000

Service Intensity

CY	Effective Date	Actual Percent	Projected Percent
2008	01/01/2008	1.0000	1.0000
2009	01/01/2009	1.0000	1.0000
2010	01/01/2010	1.0000	1.0000
2011	01/01/2011	1.0000	1.0000
2012	01/01/2012	1.0000	1.0000
2013	01/01/2013	1.0000	1.0000

Projected Changes Page Components:

- Projected Actions:
 - New Conversions - Any allocation received due to the decertification of an ICF/DD bed.
 - New Diversions - New allocations approved by the legislature and distributed by DHS.
 - Service Optimization - Adding individuals to the waiver with no new funding
 - County of Financial Responsibility (CoFR) transfers into the county - Changes in county allocation when an individual becomes the county's financial responsibility.
 - County of Financial Responsibility (CoFR) transfers out of the county - Changes in county allocation when an individual is no longer the county's financial responsibility.
 - Waiver exits - Individuals who leave the waiver
 - Refilling a vacancy - Refilling vacancies created by waiver exits in order to manage enrollment counts.

- Include in Projection:
 - Include in projection – since WMS will save all of your simulations, you will be able to decide if you want to include a current decision in the simulation you are looking to see.

- Projected Action Date:
 - Date projected action will occur

- Residence:
 - Residential living arrangement from the service agreement. A drop down menu of the following choices will be available:
 - Family/Extended Family
 - Foster Family
 - Foster Care – Live In Caregiver
 - Foster Care – Shift Staff
 - Own Home < 24 Hr Support
 - Own Home w/ 24 Hr Support
 - Other

- Projected Auth Per Day:
 - WMS will use county authorized dollars for each individual to predict how much a county will spend on an individual. Each county has a unique relationship between their authorized and paid amounts. This relationship is determined by county behavior and changes from year to year. WMS will use each county's most recent relationship between authorized and paid to predict what spending will be in the modeling files.

Projected Allocation to Paid Calculation Page

Allow counties to see the effect of their modeled actions on certain components of the methodology.

Projected Allocation to Paid Calculation

Category	Type	2009	2010	2011	2012	2013	2014 (recalibration)
Total Allocation	Actual						
	Projected						
	Simulated						
Paid	Actual						
	Projected						
	Simulated						
Available	Actual						
	Projected						
	Simulated						
Service Opt (Paid)	Actual						
	Projected						
	Simulated						
Unspent	Actual						
	Projected						
	Simulated						
Ratio	Actual						
	Projected						
	Simulated						

Projected Allocation to Paid Calculation Page Components:

- Category:
 - Total Allocation – the county’s total allocation based on the components of the methodology which include cell vales, enrollment counts, service intensity, legislative changes, ratio of allowable to paid claims, and the safety net.
 - Paid – the amount that the county will spend on providing services to individuals included in the enrollment count. Services that have already been provided and paid for will be downloaded from MMIS. Services that have not yet been paid for will be projected using the county’s % Difference Paid/Authorized.
 - Available – equals total allocation minus paid
 - Service Optimization (Paid) – the amount that the county will spend on providing services to individuals served through service optimization. Services that have already been provided and paid for will be downloaded from MMIS. Services that have not yet been paid for will be projected using the county’s % Difference Paid/Authorized.
 - Unspent – equals total allocation minus paid minus service optimization (paid). The amount that a county has left over after providing services.
 - Ratio – The percentage that a county has left over after providing services.

- Type:
 - Actual - Current number as downloaded from service agreements in MMIS
 - Projected - Number which reflects automatic changes in the system such as the aging of individuals into new age bracket
 - Simulated - Number which reflects modeled actions from county determined scenarios

Authorized, Allowable, Paid Summary Page

Existing WMS page modified to allow counties to see the % Difference Paid/Authorized.

Authorized, Allowable, Paid Summary

**new
column**

CY	# Rec	Waiver Days	Total \$			\$ Differ Allow - Paid	Daily Averages			% Differ Allow - Paid	% Differ Paid / Auth
			Auth	Allow	Paid		Auth	Allow	Paid		
2008	57	20831	\$3,620,284	\$3,619,803	\$854,614	\$2,765,189	\$173.77	\$173.77	\$41.03	76.39%	23.61%
2007	57	20685	\$3,366,841	\$3,470,681	\$3,032,119	\$438,562	\$167.79	\$167.79	\$146.59	12.64%	90.06%
2006	60	20975	\$3,421,204	\$3,365,243	\$3,013,465	\$351,778	\$160.44	\$160.44	\$143.67	10.45%	88.08%
2005	62	21751	\$3,328,681	\$3,268,372	\$3,025,380	\$242,992	\$150.26	\$150.26	\$139.09	7.43%	90.89%

Authorized, Allowable, Paid Summary Page Components:

- New Column:
 - Percentage Difference Paid/Authorized – The county’s previous year’s percentage difference between paid and authorized dollars. This percentage will be used to

How to Get to Your County Allocation:

Step 1: Log on to the Waiver Management System for the DD Waiver

Step 2: Click on “Summary”

Waiver Management System 3.1

Hello Maria . You have **Full Read/Write Rights** for this view.

Discrepancies
 The system found **522** discrepancies for your county. Please go to the [Discrepancies](#) page for additional information.

Transfers
 The system found **5** unresolved pending transfers for your county. Please go to the [Pending - Transfers](#) page for additional information.

What's New

Added	Notes
4/16/2008	The DHS (Special Needs Basic Care) Resident Fee is now available. To view the

Step 3: You will see the “Allocation Tracking” page

Budget Allocation Management

Please Note: The information found on this page is for instructional purposes only. It is meant to help counties understand how allocations will be built under the new DD budget allocation methodology. As the system becomes live in 2009, the format will remain the same and the numbers will be updated on a regular basis to provide counties with live data.

Age Group	Type	Rate	CY During Allocation Cycle				
			2009	2010	2011	2012	2013
Basic Enrollment Count (County Cell Values)							
61+	Actual	\$192.12	13				
	Projected		17	19	20	22	24
	Simulated						
41-60	Actual	\$161.59	9				
	Projected		26	26	27	27	28
	Simulated						
22-40	Actual	\$162.63	24				

DD Budget Allocation Methodology
County Training
TRAINING HANDBOOK

Step 4: scroll to the bottom of the page. Look at "Total" Projected: for 2009.

Total Enrollment Count						
Basic	Actual	55				
	Projected	101	101	101	101	101
	Simulated					
Total	Actual	55				
	Projected	101	101	101	101	101
	Simulated					
↓ Calculation						
Enrollment \$	Actual	\$1,029,647				
	Projected	\$5,829,601	\$5,867,368	\$5,904,996	\$5,980,575	\$6,006,856
	Simulated					
Service Int \$	Actual	\$36,509				
	Projected	\$67,044	\$67,861	\$68,740	\$69,648	\$70,224
	Simulated					
Leg Change \$	Actual	\$20,593				
	Projected	\$116,592	\$119,694	\$120,509	\$122,053	\$122,589
	Simulated					
Ratio \$	Actual	\$85,201				
	Projected	\$471,438	\$474,706	\$477,789	\$483,906	\$486,054
	Simulated					
Safety Net \$	Actual					
	Projected					
	Simulated					
Other \$	Actual					
	Projected					
	Simulated					
Total \$	Actual	\$1,171,951				
	Projected	\$6,369,249	\$6,411,132	\$6,452,729	\$6,535,350	\$6,564,360
	Simulated					
Paid \$	Actual					
	Projected	\$6,569,481	\$6,569,481	\$6,569,481	\$6,569,481	\$6,569,481
	Simulated					
Available \$	Actual	\$1,171,951				
	Projected	(\$200,232)	(\$158,349)	(\$116,752)	(\$34,131)	(\$5,120)
	Simulated					
Available %	Actual	100.00				
	Projected	-3.14	-2.47	-1.81	-0.52	-0.08
	Simulated					