



Legislative Report

Corporate Foster Care Annual Needs Determination

Disability Services Division

September 2018

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I.B2 (8-16)

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I. Executive summary

This report provides information and data on the licensed corporate foster care capacity in Minnesota during state fiscal year (SFY) 2018. The Minnesota Department of Human Services (DHS) is tasked to manage corporate foster care levels. During SFY 2018 DHS kept the licensed corporate foster care capacity below the 13,700 bed maximum, as allowed under the [corporate foster care and community residential setting moratorium](#).

History

The state legislature established the moratorium in 2009. In 2012, the legislature reduced the corporate foster care capacity of the state by up to 128 beds (or to achieve the necessary savings). Through DHS management, that reduction was met by the June 30, 2014, deadline. After the capacity reduction, the number of allowable licensed corporate foster care beds is 13,700, but statute allows for exceptions.

The moratorium remains in effect today.

Exceptions

Exceptions to the moratorium do not count toward the 13,700-bed maximum. While there were beds that closed during the fiscal year, there was still an increase in the overall licensed capacity by 163 beds. The increase in licensed capacity was in large part because of a time-limited moratorium exception for people who received Chapter-245D services and lived in an unlicensed setting that required a license.

Despite the increase in the licensed capacity of corporate foster care due to allowable exceptions, the total disability waiver population is overall less likely to live in a corporate foster care setting than it was four years ago.

DHS's role

Key DHS activities during this report year include:

- Managing the licensing moratorium
- Administering grants
- Overseeing Olmstead Plan activities that support helping people live and work in more person-centered, integrated settings.

Looking forward

DHS will use some of the beds that no longer are licensed as foster care — but that were part of the moratorium base capacity — to increase out-of-home respite options across the state.

II. Legislation

Minnesota Statutes 2017, section 245A.03, subdivision 7 (h)

(h) The commissioner may adjust capacity to address needs identified in section [144A.351](#). Under this authority, the commissioner may approve new licensed settings or delicense existing settings. Delicensing of settings will be accomplished through a process identified in section [256B.493](#). Annually, by August 1, the commissioner shall provide information and data on capacity of licensed long-term services and supports, actions taken under the subdivision to manage statewide long-term services and supports resources, and any recommendations for change to the legislative committees with jurisdiction over the health and human services budget.

III. Introduction

Minn. Stat. §245A.03, subd. 7h requires the Minnesota Department of Human Services (DHS) commissioner to annually report to state legislative committees that have jurisdiction over the health and human services budget. The report must include information on the:

- Licensed corporate foster care capacity of the state
- DHS actions taken to manage the licensing moratorium
- Recommendations for changes.

The following report includes that information across the following four sections:

- **Definitions and background:** Corporate foster care definition and context on the history/conditions of the licensing moratorium
- **Capacity:** Information and data analysis about SFY 2018 and historic corporate foster care capacity
- **Key activities during SFY 2018:** Information about management of the licensing moratorium (including activities completed to support people in more integrated settings)
- **Recommendations:** Conclusion and proposed action by DHS to use existing corporate foster care capacity to expand respite options for people.

IV. Definitions and background

For this report, we will use the term “corporate foster care” to refer to both of the following settings:

1. Corporate foster care where the license holder does not live in the home ([Minn. Stat. §245D.02, subd. 4d](#)) and is either:

- A child foster residence setting licensed according to [Minn. R. 2960.3000](#) to [Minn. R. 2960.3340; or](#)
- An adult foster care home licensed according to [Minn. R. 9555.5105](#) to [Minn. R. 9555.6265](#).

2. Community residential settings, which statute defines as a residential program ([Minn. Stat. §245A.11, subd. 8](#)) where:

- Residential supports and services are provided ([Minn. Stat. §245D.03, subd. 1c, 3i-ii](#))
- The license holder is the owner, lessor or tenant of the facility
- The license holder does not reside in the facility ([Minn. Stat. §245D.02 subd. 4a](#)).

Note: Both of these settings typically use a shift-staff model of support.

Moratorium

In Minnesota, there is a licensing moratorium on the development of new corporate foster care beds. The statewide baseline (set July 1, 2013) is 13,700 corporate adult and child foster care beds. The legislature tasked the DHS Disability Services Division (DSD) to manage and track changes in capacity in relation to the cap. In doing so, DSD works with the other DHS divisions (i.e., licensing, behavioral health, aging/adult services and housing) to manage statewide resources and capacity.

Exceptions to the moratorium do not count toward the statewide corporate foster care capacity. License exceptions can apply to:

- People who require hospital level of care
- Settings that require Chapter 144D housing with services registration
- People who need new corporate foster care development because of the closure of a nursing facility, intermediate care facility for persons with developmental disabilities (ICF/DD), regional treatment center or because of a restructuring of state-operated facilities
- People who no longer require the level of care provided by state-operated facilities (e.g., Minnesota State Security Hospital, Anoka Regional Treatment Center, etc.)
- People who need new corporate foster care development because of the discontinuation of the residential care waiver service

- People who receive Chapter 245D services and live in an unlicensed setting that requires a license (Note: This exception ended June 30, 2018).

V. Capacity

This section will discuss:

- [Current corporate foster care capacity of the state and exceptions](#)
- [Waiver trends](#)
- [Number of licensed beds by region](#).

A. Current statewide capacity and moratorium exceptions

In 2014, the maximum number of allowable beds was 13,700. As of June 30, 2018, there are 13,971 total licensed corporate foster care beds in Minnesota. This is a 163-bed increase over SFY 2017 (1 percent).

The increase in SFY 2018 is due to the 286 exceptions to the moratorium that DHS approved for people who needed new corporate foster care development and who met the exception category criteria. By removing the total number of exceptions granted during the period of the moratorium (608), the capacity count for SFY 2018 was 13,363, which is within the maximum allowed under the moratorium¹.

The SFY 2018 moratorium capacity count was lower than the SFY 2017 moratorium capacity count by 1 percent.

The most common exception approval in SFY 2018 was for people who receive Chapter 245D services and live in an unlicensed setting that required a license (168 approvals). The unlicensed setting exception, which was available from July 1, 2017, to June 30, 2018, contributed to a substantial increase in the total number of exception approvals from SFY 2017 (136) to SFY 2018 (286). The second most common exception was for people who needed new corporate foster care development because of the closing of their ICF/DD facility (91 approvals). This represented a 17 percent reduction from the 110 approvals in SFY 2017 because of ICF/DD closure.

We expect a decrease in the total number of exceptions requested in SFY 2019 because the exception for people in unlicensed settings is no longer available after June 30, 2018². For the number of exceptions approved by type in SFY 2018, refer to Table 1.

¹ The moratorium capacity count is calculated by subtracting the cumulative approved exceptions from the number of licensed beds.

² DHS needed to be contacted about the unlicensed setting by June 30, 2018.

Table 1: Number of licensing moratorium exceptions by type (SFY 2018)

Exception description	Exceptions approved
People who require hospital level of care	2
People who needed new corporate foster care development because of the closure of an ICF/DD facility	91
People who no longer require the level of care provided by state-operated facilities (i.e., Minnesota State Security Hospital or Anoka Regional Treatment Center) ³	22
People who need new corporate foster care development due to the discontinuation of the residential care waiver service	3
People who receive Chapter 245D services and live in an unlicensed setting that requires a license (note: This exception ended June 30, 2018)	168
Total approved exceptions SFY 2018	286

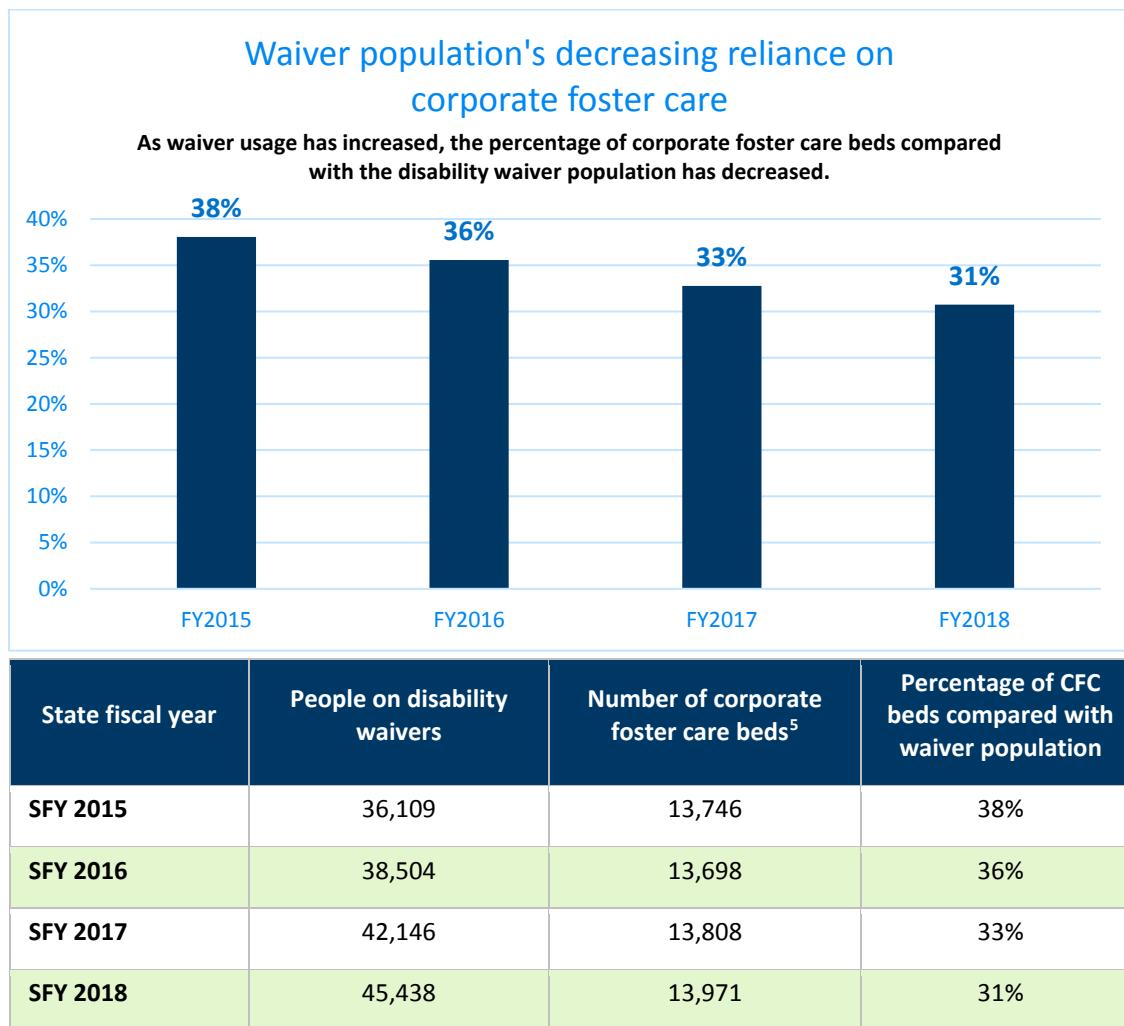
B. Capacity and waiver trends

While there was an increase in SFY 2018 in licensed capacity, this was in large part because of the exception for people who lived in unlicensed settings that should have been licensed (according to criteria in the Human Services Licensing Act). Since SFY 2015, the disability waiver population has grown from 36,109 people to 45,438 people, which represents a 26 percent increase, or an average of 8 percent each year. In the same period, corporate foster care licensed capacity has grown from 13,746 to 13,971 (2 percent on average, and 0.5 percent a year. For more information, see Figure 1). Further, when removing from consideration the amount of beds licensed as an exception, this number decreases to 13,363. This represents a 2 percent decrease since SFY 2015.

³ Includes Jensen Settlement class members.

In sum, DHS has limited growth to only those who have been granted exceptions by the Minnesota Legislature. The total waiver population is less likely to live in a corporate foster care setting than it was four years ago.

Figure 1: Capacity and disability waiver population growth (SFY 2015-SFY 2018)⁴



⁴ The number of people on disability waivers is the number of people at the end of SFY 2018 rather than a cumulative total for everyone who enrolls on the disability waiver during the fiscal year, regardless if they are on the waiver for the entire year or not. The number of corporate foster care beds is also the number at the end of each fiscal year.

⁵ The number of corporate foster care beds refers to all licensed corporate foster care beds, including exceptions, which are not subject to the moratorium count.

C. Capacity by region

In addition to calculating statewide capacity changes from year to year, DHS calculates the corporate foster care bed-capacity changes by region (see Table 2 on the next page). In SFY 2018, two regions had a decrease in licensed corporate foster beds, nine had an increase and one region showed no change. Both decreases and increases in beds were minimal, ranging from 0 to 3 percent. Region 10, the Southwest Corner, showed the largest increase, with 52 more beds in SFY 2018 (3 percent).

Table 1: Current number of DHS licensed beds by region (SFY 2017-SFY 2018)

Region ⁶	Region name	Largest county	SFY 2017 ⁷ licensed bed count	SFY 2018 ⁸ licensed bed count	Difference
1	Northwest Corner	Polk	237	237	0%
2	North Central	Beltrami	258	263	2%
3	Northeast Corner	St. Louis	1,560	1,565	0%
4	North West	Clay	911	919	1%
5	Central	Crow Wing	597	595	0%
6	West	Kandiyohi	828	825	0%
7E	Central East	Chisago	528	545	3%
7W	Central West	Stearns	866	874	1%
8	Southwest Corner	Lyon	448	453	1%

⁶ These regions are the regional resource specialist areas. See referenced [Regional Resource Specialist \(RRS\) Geographic Area Map, DHS-4850B \(PDF\)](#) for the regional boundaries.

⁷ Licensed bed count was calculated on last day of SFY 2017.

⁸ Licensed bed count was calculated on last day of SFY 2018.

Region ⁶	Region name	Largest county	SFY 2017 ⁷ licensed bed count	SFY 2018 ⁸ licensed bed count	Difference
9	South Central	Blue Earth	951	972	2%
10	Southeast Corner	Olmsted	1,529	1,581	3%
11	Metro	Hennepin	5,095	5,142	1%

Table 3: Licensed capacity summary (SFY 2017-SFY 2018)

Category	SFY 2017 licensed bed count	SFY 2018 licensed bed count	Difference
Statewide licensed capacity	13,808	13,971	1%
Approved exceptions this fiscal year	136	286	110%
Cumulative approved exceptions	322	608	89%
Moratorium capacity count⁹	13,486	13,363	-1%

⁹ The moratorium capacity count is calculated by subtracting the cumulative approved exceptions from the number of licensed beds.

VI. Key DHS activities during SFY 2018

During the past year, DHS worked to improve the corporate foster care service-delivery system by managing the moratorium, developing new service options and administering grants that support person-centered, integrated living options for people. Based on extensive engagement with stakeholders, DHS has launched new employment and housing services that help fill gaps and improve independent living options.

A. Managing the moratorium

DHS approves exception requests to the extent the moratorium allows while maintaining the ability to approve requests that are critical to people's health and safety. In SFY 2018, DHS approved new corporate foster care development for 65 people who did not meet exception to the moratorium criteria. These approvals were for people with complex needs (i.e., urgent health and safety needs), who were unable to remain in their current setting and could not be served within the current corporate foster care capacity of the county/region.

Note: An example of "an urgent health and safety need" is when a provider gives a notice of service termination to a person from a residential setting and that person does not have options for another home.

B. Progress on grants to develop alternatives to corporate foster care

State fiscal year 2018 marks the fifth year of the renewable Local Planning Grant for Corporate Foster Care Alternatives. It is a DHS-awarded grant for developing alternatives to corporate foster care.

From July 1, 2017 to March 31, 2018, these grants helped 34 people move out of corporate foster care.

The current three grantees are:

- St. Louis County
- Washington County
- Anoka-Dakota-Hennepin-Ramsey counties.

C. Services to help people access and maintain housing

Moving Home Minnesota program

[Moving Home Minnesota](#) is an initiative started in 2013 to help people move from nursing facilities or other institutions to their own homes in the community. It is Minnesota's effort under the federal Money Follows the Person Rebalancing Demonstration, which is a strategy for reducing reliance on

institutional care and developing opportunities for people with disabilities and older adults to fully participate in their communities. In SFY 2018, Moving Home Minnesota helped 158 people move out of institutions and into the community.

Housing Access Services Grant program

The [Housing Access Services Grant program](#) helps people with disabilities move to homes of their own that are not owned, leased or controlled by a disability services provider. From July 2009 through December 2017 (our most recent data), the program has helped 2,034 people. This program has helped reduce demand for potential moves into corporate foster care. In the future, the grant will be consolidated with other housing supports as new options to provide this service are made available, including a new state plan benefit.

Housing access coordination service

[Housing access coordination](#) is a waiver service that became available in 2016. It offers support similar to the grant program, but it is a service available under the disability waivers:

- Brain Injury (BI)
- Community Alternative Care (CAC)
- Community Access for Disability Inclusion (CADI)
- Developmental Disability (DD).

Like the grant program, the service helps people plan for, find and move to homes of their own that are not owned, leased or controlled by disability services providers. It is a pay-for-performance, person-centered service that pays for staff assistance based on the results achieved. A provider is reimbursed for actual time spent helping a person get housing.

The service also has a follow-up stage that is intended to help the person retain that housing.

During the SFY 2017, 1,447 people used housing access coordination services from 35 providers. The total amount spent for these service agreements was \$2,172,620.45 (Note: This total may rise as DHS allows claims to be paid out one year from when the provider delivered the service).

D. Technology for Home grant program

The DHS-funded [Technology for Home](#) program offers at-home, in-person assistive technology (AT) consultation and technical assistance to help people with disabilities live more independently. Expert consultants work in teams to provide cost-effective solutions and to communicate with the lead agency to develop a plan for people who receive home care or home and community-based waiver services.

As part of their work, Technology for Home:

- Consults with eligible people in their own homes, workplaces or public locations
- Connects people to resources that will help them live in their own homes
- Conducts follow up to ensure effective training, set up and installation
- Serves on the person's team to develop a plan to assure that AT goals have been met.

Between March 2013 and March 2018, the program provided 11,328 instances of service to help people with assistive-technology needs.

E. New services and grants

Innovation grants

The DHS-managed [Disability Services Innovation Grant program](#) promotes innovative ideas to improve outcomes for people with disabilities in Minnesota. Funded projects include new ways to help people with disabilities:

- Achieve integrated, competitive employment
- Live in the most integrated setting
- Connect with others in their communities.

In SFY 2018, DHS awarded grants to three providers that are working to support people's housing goals. Examples of their work includes:

- A grantee who supports services for people with disabilities so they can maintain their housing while experiencing a mental health crisis or psychiatric hospitalization (provider support includes landlord incentives)
- Another grantee helps people with disabilities who are looking for roommates and helps them find interested people who are good matches
- A grantee who provides support to people with disabilities who choose a shared-living experience with a person who may or may not have a disability. Examples include:
 - **Companion living** where the person with a disability owns or rents a home and another person lives with them
 - **Shared living** where the person with a disability co-leases with a roommate
 - **Host homes** where a family provides room and board to the person with a disability
 - **In-home** family supports where the person with a disability lives with a family member.

The grantees will report quarterly to DHS on their progress with their grant goals.

New service to support people living in their own home

In the spring of 2017, DHS received CMS approval for a waiver amendment that authorized the new individualized home supports service. The option was effective as of July 1, 2018, and it is available to people who use the following disability waivers:

- Brain Injury (BI)
- Community Alternative Care (CAC)
- Community Access for Disability Inclusion (CADI).

The individualized home support service was designed to holistically support a person in his or her own home and within his or her community by providing support (e.g., supervision, cuing, etc.) and training as a single, comprehensive service. With multiple service-delivery methods – both in-person or via remote support – this new service increases a person’s choices and options for how and where services are delivered to meet his or her service needs. A person can receive support or training in four broad community-living service areas of:

- Community participation
- Health, safety and wellness
- Household management
- Adaptive skills.

The service uses a person-centered approach to support what is important both *to* and *for* a person. For example, an individualized home-support staff member can ride along with someone who receives services, like Jerrick, as he learns to navigate the local bus system. This is important for him to get to his job, as well as to get to the board game club he belongs to. If he misses the bus one day or gets lost, Jerrick also can use this service to call someone to help reduce his anxiety and solve the problem.

In that way, this service recognizes that each person interacts with his/her world differently. For example, Yasmin may have neighbors in her apartment building who are noisy at night. To deal with it, Yasmin may prefer to receive coaching from her staff over the phone before approaching her neighbor with a complaint. While Nolan, in the same situation, would prefer staff to come with him when talking to his landlord about the loud neighbors.

By combining training and support functions into a single, comprehensive service, the service:

- Is more responsive and individually tailored to a person’s needs
- Has greater flexibility
- Increases service efficiency.

Assistive technology

In June 2018, DHS conducted a training for approximately 500 assessors and case managers from various lead agencies (counties, tribal nations and managed care organizations) regarding the planning and use of assistive technology. Training participants learned how to:

- Determine if an assistive technology device is appropriate for a person
- Access assistive technology resources available in their county
- Integrate a conversation about assistive technology into the [MnCHOICES assessment process](#).

Staff from DHS, the Minnesota STAR Program and State Services for the Blind presented to training participants. Website analytics show that the training continues to be effective as lead agency staff and the public continue to view the archived training online.

DHS also has worked with other state agencies to develop the [Minnesota's Guide to Assistive Technology site](#). It is a single, comprehensive online resource for the public that contains helpful information about:

- How people may pay for assistive technology
- Assistive technology resources by region
- Descriptions of how people can use assistive technology to support themselves in education
- Employment
- Community environments.

Development of this website was a collaboration between DHS, the Minnesota Star Program, State Services for the Blind, Vocational Rehabilitation Services and the departments of Education and Health.

New local infrastructure grants

With direction received from the 2017 legislature, the DHS Housing & Support Services Division created the Community Living Infrastructure Grant through a March 2018 Request for Proposal (RFP).

The grant, which targets counties, tribal nations, and tribal/county collaboratives, intends to create housing stability for people with disabilities who want to live in the community. The grant funding will be used for:

- Outreach efforts to help people understand their housing options
- Housing resource specialists

- Funding for counties, tribal nations and collaboratives to administer and monitor the Housing Support¹⁰ program.

Eligible responders, representing more than 50 agencies from all over the state responded to the RFP request. The state is in the process of completing contracts with successful applicants.

¹⁰ In 2017 the Minnesota Legislature approved a change that renamed the state's Group Residential Housing (GRH) program. Effective July 1, 2017, GRH is known as Housing Support.

VII. Report recommendations

DHS will use available capacity (under the moratorium cap) to develop out-of-home respite options. The [2015-2016 Gaps Analysis study](#) identified respite care and crisis stabilization (which includes crisis respite) as service gaps in four regions. Families and community partners continue to report a shortage of respite services when primary caregivers are absent or need relief. Assistance for caregivers is critical to maintaining living arrangements in the family home or the person's own home. This assistance reduces reliance on corporate foster care as an ongoing living arrangement.

DHS will approve new respite capacity while maintaining the reserve needed to serve people who have critical health and safety needs, but who do not meet moratorium-exception criteria.