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State/Territory Name: MN

State Plan Amendment (SPA) #: 25-0027

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
230 South Dearborn
Chicago, Illinois 60604



Financial Management Group

April 8, 2026

John Connolly, State Medicaid Director
Minnesota Department of Human Services
Federal Relations Unit
540 Cedar Street PO Box 64983
ST. Paul, MN 55164

RE: TN 25-0027

Dear Director Connolly:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Minnesota State Plan Amendment (SPA) to Attachment 4.19-B 25-0027, which was submitted to CMS on October 13, 2025. This amendment provides an increase to both the base rates and rate enhancement for support workers under the 1915k benefit.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of January 1, 2026. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Matthew Klein at 214-767-4625 or matthew.klein@cms.hhs.gov.

Sincerely,

A solid black rectangular box redacting the signature of Todd McMillion.

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <u>2 5</u> — <u>0 0 2 7</u>	2. STATE <u>MN</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
January 1, 2026

5. FEDERAL STATUTE/REGULATION CITATION
42 C.F.R. 441.500-441.595

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2026 \$ 7,145,000
b. FFY 2027 \$ 17,098,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Supplement 6 to Attachment 4.19-B Pages 1-4

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Supplement 6 to Attachment 4.19-B Pages 1-4 (25-0004)


9. SUBJECT OF AMENDMENT

Establishes new base rates for Community First Services and Supports and modifies a rate enhancement for worker experience.

10. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE


12. TYPED NAME
Patrick Hultman

13. TITLE
Deputy Medicaid Director

14. DATE SUBMITTED
October 13, 2025

15. RETURN TO
Patrick Hultman
Minnesota Department of Human Services
Federal Relations Unit
540 Cedar Street, PO Box 64983
Saint Paul, MN 55164


FOR CMS USE ONLY

16. DATE RECEIVED
October 13, 2025

17. DATE APPROVED
April 8, 2026

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
January 1, 2026

19. SIGNATURE OF APPROVING OFFICIAL


20. TYPED NAME OF APPROVING OFFICIAL
Todd McMillion

21. TITLE OF APPROVING OFFICIAL
Director, Division of Reimbursement Review

22. REMARKS

Methods and Standards for Establishing Payment Rates

1. Services Provided Under Section 1915(i) of the Social Security Act. For each optional service, describe the methods and standards used to set the associated payment rate. *(Check each that applies, and describe methods and standards to set rates):*

<input type="checkbox"/>	HCBS Case Management						
<input type="checkbox"/>	HCBS Homemaker						
<input type="checkbox"/>	HCBS Home Health Aide						
<input checked="" type="checkbox"/>	HCBS Personal Care						
<p>Effective January 1, 2026, HCBS Personal Care Assistance payment under the agency-provider model with service unit allocation is the lower of the submitted charge, or the state agency established rate, up to the number of units authorized in the participant's approved service allocation:</p> <table style="width: 100%; border: none;"> <tr> <td style="padding-left: 20px;">Personal Care 1:1 unit</td> <td style="text-align: right; padding-left: 20px;">\$6.22</td> </tr> <tr> <td style="padding-left: 20px;">Personal Care 1:2 unit</td> <td style="text-align: right; padding-left: 20px;">\$4.68</td> </tr> <tr> <td style="padding-left: 20px;">Personal Care 1:3 unit</td> <td style="text-align: right; padding-left: 20px;">\$4.10</td> </tr> </table> <p>NOTE: One unit is equal to 15 minutes.</p> <p>Participants receiving services under the agency-provider model who then transfer to the budget model, will have any remaining service units converted to a service budget as described above.</p> <p>Shared care:</p> <p>For two participants sharing services, payment is one and one-half times the payment for serving one participant. For three participants sharing services, payment must not exceed two times the payment for serving one participant. This paragraph applies only to situations in which all participants were present and received shared services on the date for which the service is billed.</p> <p>The rate methodology consisted of:</p>		Personal Care 1:1 unit	\$6.22	Personal Care 1:2 unit	\$4.68	Personal Care 1:3 unit	\$4.10
Personal Care 1:1 unit	\$6.22						
Personal Care 1:2 unit	\$4.68						
Personal Care 1:3 unit	\$4.10						

- A base wage index was established using Minnesota-specific wages taken from job descriptions and standard occupational classification codes from the BLS Occupational Handbook.
- A competitive workforce factor multiplier was applied to the direct staffing wage to address the difference in average wages for direct care staff and other occupations with similar education, training, and experience requirements, as identified by the BLS Occupational Handbook.
- The average wages were adjusted to differentiate between shared and individual staffing.
- Shared staffing was taken into account, when staff are available to provide services to more than 1 person and individual staffing, when direct care staff are available to solely provide support as a 1-to-1 interaction with a specific individual.
- These wage expenses were multiplied by factors for relief staffing, ancillary staff needs, employee-related taxes and benefits, and client programming.

Budget Model:

Under the budget model, an amount equal to the participant's authorized service units multiplied by the amount listed above for a 1:1 unit is authorized for use by the participant.

Shared care: For 1:2 and 1:3 shared care under the budget model, services are billed according to the shared care rates outlined above.

Rate and Budget Enhancements

Effective January 1, 2026, the CFSS budget is enhanced by 12.5% and an enhanced rate of 112.5 percent of the rate paid for CFSS must be paid for services provided to persons who qualify for ten or more hours of CFSS per day when provided by a support worker who meets the training requirements.

A rate enhancement is also paid based on the experience of support workers according to the following formula (and applies to the 1:1, 1:2, and 1:3 rates). Workers must provide more than 1000 cumulative hours of PCA or CFSS services under sections 1905(a) for PCA, 1915(c) for extended PCA and extended CFSS, and under sections 1915(i) and 1915(k) for CFSS. The calculation is based on the cumulative hours worked beginning on July 1, 2017. When the 112.5% rate enhancement and the enhancement for worker experience applies to the same worker, the 112.5% amount is the base for calculating this additional enhancement.

The enhancement is as follows:

	<p>(1) for workers who have provided between 1,001 and 2,000 cumulative hours, the amount is 4.05 percent;</p> <p>(2) for workers who have provided between 2,001 and 6,000 cumulative hours, the amount is 6.24 percent;</p> <p>(3) for workers who have provided between 6,001 and 10,000 cumulative hours, the amount is 9.23 percent; and</p> <p>(4) for workers who have provided more than 10,000 cumulative hours, the amount is 12.69 percent.</p> <p>When personal care services are provided via the budget model, the provider of Financial Management Services bills the budget for the increased cost for workers who have individually provided more than 1,000 hours of service. The personal assistance component of the budget is allotted a quarterly increase to account for these increased costs. The increase is calculated as follows:</p> <ul style="list-style-type: none">• the difference between the tiered rate and the appropriate base rate;• multiplied by the number of units provided by the worker in the previous calendar quarter; and• increased by one-third.
<input type="checkbox"/>	HCBS Adult Day Health
<input type="checkbox"/>	HCBS Habilitation
<input type="checkbox"/>	HCBS Respite Care
For Individuals with Chronic Mental Illness, the following services:	
<input type="checkbox"/>	HCBS Day Treatment or Other Partial Hospitalization Services
<input type="checkbox"/>	HCBS Psychosocial Rehabilitation

<input type="checkbox"/>	HCBS Clinic Services (whether or not furnished in a facility for CMI)
<input checked="" type="checkbox"/>	Other Services (specify below)
	<p>Personal Emergency Response Systems (PERS): Personal emergency response systems include three parts. Each part has its own limit per service agreement year:</p> <ul style="list-style-type: none">• Purchase of the PERS equipment, including necessary training or instruction on use of the equipment (\$1,500 maximum)• Installation, setup and testing of the PERS equipment (\$500 maximum)• Monthly monitoring fees (\$110 monthly maximum). <p>The CFSS participant receives up to \$3,000 total of personal emergency response equipment and related services per service agreement year.</p>
	<p>Individual Directed Goods and Services: When a participant chooses to purchase goods and services through CFSS, the cost for the goods and services is covered using the participant's service budget.</p> <p>Limitations:</p> <p>Goods and Services must not exceed an individual's budget allocation.</p>
	<p>Financial Management Services: Financial Management Services (FMS) providers must provide their service rates to the state agency as a part of the contracting process. They are required to notify the state agency immediately of any changes to their established rates. FMS providers must make public the maximum rate(s) for their services and a public site with approved providers and rates is maintained by DHS at https://mn.gov/dhs/people-we-serve/people-with-disabilities/services/home-community/programs-and-services/fms.jsp. The rate and scope of FMS is negotiated between the participant or the participant's representative and the FMS provider, and included in the service delivery plan. FMS provider fees must be on a fee-for-service basis and not a percentage of the participants' service budget, and may not include set up fees, base rates or other similar charges.</p>