

April 8, 2024

Re: HF5280

Chair Noor and Members of the Committee,

My name is Loren Colman. I am a retired long term care services provider and spent the last 15 years of my career at DHS as the Assistant Commissioner for aging and disability services, nursing facilities, mental health, and many others programs.

The Elderly Waiver Disproportionate Share program is an idea I came up with after I observed low income seniors had very limited access to modern assisted living communities. It has been acknowledged for many years that the Elderly Waiver Customized Living rates were not adequate to support the services required by low income residents. The consequences have been most providers limited waiver residents to less than 15% of the residents. This program has been a lifeline to assisted living communities that have a waiver population of at least 83.5% Medicaid. A very high bar to qualify for the program.

The rate increase for elderly waivers services last year were great. Thank you to the legislature! It is greatly appreciated. But it was based upon 2017 wages and don't reflect the wage pressures created by the pandemic and the shortage of workers. I will acknowledge as suggested by DHS that some residents have lower needs and the rates may be higher for a period of time but people "age in place".

I believe that there is a plan that would improve the process rather than the sudden termination of the rate floor as proposed by the governor's supplemental budget. DHS is required to complete a study of the elderly waiver rate methodology and the cost to provide services by collecting from providers wage and non-wage data and present an interim report and recommendations to the legislature in February, 2025. I would suggest no

changes to the program this year, consider the recommendations in the report when available, and then make informed decisions based upon the actual provider data. This would be far less disruptive than the sudden termination of the program for 27 facilities serving 900 low income Medicaid residents throughout Minnesota.

Thank you for the time to share my thoughts on this proposal.