

April 27, 2023

Rep. Mohamud Noor
379 State Office Building
St. Paul, MN 55155

Sen. John Hoffman
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St. Paul, MN 55155

Rep. Peter Fischer
551 State Office Building
St. Paul, MN 55155

Sen. Omar Fateh
3219 Minnesota Senate Bldg.
St. Paul, MN 55155

Rep. Dave Baker
259 State Office Building
St. Paul, MN 55155

Sen. Jim Abeler
2207 Minnesota Senate Bldg.
St. Paul, MN 55155

Chairs Hoffman, Noor, and Members of the Human Services Conference Committee:

On behalf of ARRM and our more than 160 residential disability waiver service providers, thank you for the opportunity to provide feedback to the House and Senate's Human Services Omnibus bill proposals and to highlight the provisions in each bill that are significant to our members.

We want to start by thanking both Chair Noor and Chair Hoffman for their thoughtful work in putting together their omnibus bill proposals.

Both the House and Senate Human Services committees have provided opportunities for ARRM and our members to address the severe workforce shortage and the significant impact it is having on people with disabilities and their families. We have been in front of both committees, sharing stories about group homes closing, growing wait lists and people who live independently not receiving the services they need. We have sounded the alarm about what services will look like 5 years or 10 years from now if we continue to underinvest in the workforce supporting people receiving waiver services. We have shared the devastating impact of people's homes closing and the fear that families across the state face every day when looking at what services for their loved ones look like now and into the future.

The final bill you draft through this conference committee will be critical to the future of waiver services for people with disabilities. As you are determining where key investments will be made, please take into consideration the following provisions in both the House and Senate omnibus bills:

Disability Waiver Rate System Adjustments (DWRS)

First and foremost, we thank both the House and Senate for proposing further investments in the Disability Waiver Rate System. After years of underfunding our disability waiver rates, now is the time to return to Minnesota's proud tradition of robust support for people with disabilities through significant investments in the DWRS. We urge the conference committee to adopt at minimum, the Senate level of funding, including adjustments to the Competitive Workforce Factor to help increase Direct Support Professional wages. Specifically, ARRM supports the following provisions in the House and Senate proposals:

- Senate proposal **updating the Competitive Workforce Factor beginning on January 1, 2024**, and every two years after that is based on wage data for direct care staff (SF 2934 3rd Engrossment, Article 1, Sec. 31).
- House and Senate proposals that would **move the next rate adjustment from November 2024 to January 2024** and every two years after that. (SF 2934 2nd Unofficial Engrossment, Article 1, Sec 27 and SF 2934 3rd Engrossment, Article 1, Sec. 25)
- House proposal, **changing the date for the data used for the 2024 rate adjustment** from December 31, 2021, to data published in March 2022 (SF 2934 2nd Unofficial Engrossment, Article 1, Sec 27, line 41.16).
- House proposal, **changing the date for the data used for the 2026 rate adjustment and every two years after that** from 30 months and 1-day old data to data published in March, 22 months prior to the scheduled update (SF 2934 2nd Unofficial Engrossment, Article 1, Sec 27, line 41.18-41.19).

ICF/DD Rate Adjustments

We want to acknowledge both the House and Senate for including proposals in their omnibus bills that would provide additional resources to services that support people living in an ICF/DD.

ARRM, however, has concerns with the language included in the House proposal (SF 2934 2nd Unofficial Engrossment, Article 1, Sec. 35), the ICF/DD Rate Transition proposal. This proposal would only impact a fraction of ICF/DD services across the state, with all ICF/DD services not seeing a rate increase for up to another 30 years. ICF/DD providers are facing the same workforce shortage as all disability service providers are, they often support individuals with complex medical support needs and simply put, none of them can survive for another 30 years without a rate adjustment.

As an alternative, **we urge the conference committee to adopt the language included in the Senate proposal (SF 2934 3rd Engrossment, Article 1, Sec. 39)**. This proposal would increase the payment rate for all ICF/DD homes by \$50 right away and create a new rate floor for both Class A and Class B facilities.

Respite

We want to thank the Senate for including our proposal to remove Unit Based Respite from the Disability Waiver Rate System, allowing the service to become a market rate service. This important change will increase access to the service, support providers in establishing programs that meet the needs of their community and would help establish an adequate rate for the service to be shared by up to three individuals.

Home and Community-Based Workforce Incentive Grants and Awareness Building Campaign for the Recruitment of Direct Care Professionals

We want to thank both the House and Senate for their inclusion of Home and Community-Based Workforce Incentive Grants in their proposals, (SF 2934 3rd Engrossment, Article 1, Sec. 11) and (SF 2934 2nd Unofficial Engrossment, Article 1, Sec. 42). These grants are critical in recognizing the important work our current Direct Support Professionals do every day and to recruit new staff to the profession.

In conjunction with this critical proposal, we ask the Conference Committee to adopt the **Senate proposal, (SF 2934 3rd Engrossment, Article 1, Sec. 10) that creates an awareness-building campaign for the recruitment of Direct Care Professionals.** This campaign is another important piece of the puzzle to stabilize our workforce and make the caring professions something that people hear about on multiple platforms and can envision themselves participating in as a career.

Alternative Overnight Supervision with Technology (AOST)

ARRM and our members were thrilled to see our proposed **changes to the Alternative Overnight Supervision with Technology license included in both the House and Senate proposals** (SF 2934 3rd Engrossment, Article 1, Sec. 5, 6 and 7 and SF 2934 2nd Unofficial Engrossment, Article 1, Sec. 5, 6 and 8). As providers continue to struggle with staffing shortages and filling shifts, modifying the requirements to provide overnight support through assistive technology will help expand access to this service, support further independence, and is an important workforce solution.

Shared Services

We also want to thank the Senate for including language that would increase the number of individuals that can share certain waiver services. We are hopeful that the language that is included in SF 2934 3rd Engrossment, Article 1, Sec. 62 and 63 can act as placeholder language and the conference committee will work to adopt the language included in SF 654/HF 716.

Family Foster Care Rate Tiers/Life-Sharing Services

ARRM opposes the House language for a new rate structure proposed for Family Foster Care Services and the new Life Sharing Service (SF 2934 2nd Unofficial Engrossment, Article 1, Sec. 34). This new rate structure may result in current service rates drastically dropping for Family Foster Care Providers, de-stabilizing an important part of the spectrum of services available to people with disabilities. Instead, **ARRM urges the conference committee to adopt the Senate proposal for Life Sharing** (SF 2934 3rd Engrossment, Article 1, Sec 64) directing the Commissioner to work with stakeholders in the development and establishment of the Life Sharing service and reimbursement model.

Integrated Community Supports

Finally, we are disappointed that our proposal to make changes to some policies and rate structure for Integrated Community Supports (HF 1416/SF 1009) was not included in either the House or Senate omnibus bill. The changes proposed in our bill are critical to the viability of the service going forward, specifically, ensuring that nursing is part of the rate structure. We are hopeful that we can continue working with the Chairs, conference committee members, and the Department of Human Services to determine a cost for this proposal and include it in the final agreement.

We have said it before, but it has never felt truer than right now, services that support people with disabilities are at a crossroads. This conference committee has an opportunity to send a clear message that Direct Support Professionals do not stand alone. Thank you again for your work this session; as we continue through the conference committee process, ARRM and our members are committed to being a resource for the Chair and Committee members.

Sincerely,

Sue Schettle, CEO

Sara Grafstrom, Director of State and Federal Policy