

January 25, 2021

VIA EMAIL

Dear Representative Frazier,

We are writing to share considerations for you to review regarding H.F. 41 as written. Our organizations represent providers of older adult services along the continuum of care. Our members have been working hard to support their employees during this very difficult pandemic. Employees of Minnesota senior care providers, including skilled nursing facilities and assisted living settings have been the true backbone of our nearly year-long fight against COVID-19. Each day, these individuals continue to show up to care for our most vulnerable seniors, putting their lives on the line.

In principal, we do not oppose providing employees in these settings paid time off. Our members have worked with their staff throughout the pandemic to balance infection control protocols and ensuring sufficient staffing to provide safe quality care. The Families First Coronavirus Response Act (FFCRA) provided discretion to health care providers to determine whether to provide paid leave for certain essential health care workers. In fact, we believe that many of our members did provide paid sick leave and/or expanded family medical leave, as outlined under FFCRA, for their employees if the leave was for a qualifying reason.

While we strongly support our dedicated workforce, we cannot support HF41 in its current form because it lacks an appropriation to cover these expenses and presents some implementation issues. We are hopeful we can work together to address these concerns and move forward with a proposal that acknowledges the importance of our caregivers. The following briefly outlines our concerns, and we stand ready to discuss any of them with you.

Lack of funding. Minnesota's senior care providers have been significantly impacted by the pandemic. A combination of increased expenses related to the pandemic and occupancy rates at historic lows have forced many providers into financial instability. Our concerns are unique because unlike other businesses, the largest payor for senior care services is Medicaid and the Medicaid rates we receive are set by state appropriation. Minnesota's nursing homes and other senior care providers are constrained in their ability to raise revenues by what state lawmakers appropriate with respect to Medicaid rates. We acknowledge that for nursing homes, some of the costs of this proposal would eventually be covered in reimbursement rates—21 months after the costs are incurred. But that is insufficient to cover these costs. Many other senior care providers, such as assisted living and home care providers, serve a population so dependent on Medicaid that there are not private pay dollars to cover the costs associated with this legislation. We strongly urge you to include an appropriation to cover the costs to senior care providers.

We would be remiss if we didn't also make mention of our strong support for additional wage increases for employees working in senior care settings. Minnesota's senior care providers are facing a critical shortage of employees, which has been exacerbated in this pandemic. While paid sick leave *with a reimbursement mechanism* is a good start to support our senior care workforce,

it is also important for lawmakers to prioritize additional appropriations to senior care providers to ensure these employees receive meaningful wage increases in this legislative session. We recognize that this will be an important discussion in the health and human services committees, but we do want to make the point that lawmakers play a significant role in ensuring meaningful wages for senior care workers through their Medicaid rate setting decisions.

Retroactivity is unworkable. We understand that this legislation will apply retroactively to all employees covered by this section as of March 13, 2020. With a retroactively clause that dates back nearly a year, we question whether this is workable. Turnover rates in the senior care sector are nearly 50 percent in some settings. We question whether providers would be able to locate all workers that might be eligible for retroactive payments, and we also know that our complex Medicaid payment system crossing over reporting years will be very complicated to implement.

We believe we have shared goals to support and honor our caregiving workforce. We look forward to continued discussions with you regarding this proposal.

Sincerely,



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