



Chair Noor and Members of the House Human Services Finance Committee,

I write regarding the Intermediate Care Facility (ICFs) proposal in HF2847. While we are grateful for your attention to the dire funding needs for ICFs, we respectfully urge you to include the ICF rate floor proposal heard in your committee, HF568.

Living Well Disability Services has been in business for 50 years. We serve 105 people in over 16 ICF homes across the Twin Cities metro area. In the ICF homes we support, more than 55% of our residents are over the age of 50. Many have significant mental and physical disabilities, and more than 50% are also diagnosed with mental health issues.

As those we serve age, their needs increase while their connections to family and natural supports typically decrease. As you know, the reimbursement rates for ICF services were set decades ago and no longer come close to the increased nursing and accessibility needs required by our residents. On top of this, ICF rates differ from waiver rates in that the ICF daily rate cover nearly all costs in a person's life. As a result, the already inadequate rates have fallen even further behind as the costs of food, transportation, medical supplies, hygiene and incontinence supplies, recreation and of course staffing have increased so dramatically in recent years.

HF568 would raise the raise floor for each ICF in Minnesota by \$50, providing relief to each person served. It would also set two rate floors: a \$300 rate for Class A facilities, and a \$400 rate for Class B facilities so no facility is left behind. HF568 would provide the critical resources needed to attract and retain the workforce needed to care for some of our most vulnerable citizens.

While appreciated, the Governor's proposal simply won't do enough to reconcile our reimbursement rates with the reality we face in our homes. The proposal would set one rate floor at \$260, which would impact less than half of Minnesota's ICFs. This would mean that only some facilities in dire need of a rate increase would get any relief at all. Quite frankly, this half measure will result in further closures and contraction in the disability system. Given the more intensive supports required by those in ICF services, these closures will continue to over burden our hospital and long-term care systems as there is no other safety net for those we serve. This result would cost the state significantly more in dollars and lost capacity in these critical areas.

I so appreciate the opportunity to share Living Well's thoughts on the ICF proposal in the House Human Services Finance omnibus bill. As your omnibus bill moves through the legislative process and a potential conference committee, we will continue to serve as a resource, with the expectation that you continue to do all you can to protect the quality of care for the people we serve. Those we serve and their dedicated staff desperately need your support and look forward to seeing you all visiting our homes very soon.

Sincerely,

A handwritten signature in blue ink that reads "Tom Gillespie".

Tom Gillespie

President & CEO

Living Well Disability Services