



May 11, 2023

Dear Chair Mann, Chair Richardson, and Members of the Paid Family Leave Conference Committee:

As you know, the Best Life Alliance is a statewide coalition made up of more than 130 waiver service provider organizations, people with disabilities, families and supporters. As a coalition we want to applaud your efforts to institute a Paid Family Leave program in Minnesota. However, we need to express our very sincere concerns about the significant financial challenges this program will bring to disability waiver service providers when disability services are already extremely destabilized due to low reimbursement rates through the state's Medicaid program.

Our member organizations employ a large workforce with unfortunately very high turnover rates because it is extremely challenging to provide competitive wages with the reimbursements we receive from the state. We can't raise prices on the Minnesotans our organizations serve to pay for these new mandated benefits as our reimbursement rates are set by the legislature.

Our organizations do provide employment benefits such as earned sick leave but we aren't able to offer them for everyone within our small margins. ARR M recently did a survey of their members to estimate the cost of this new program. Increased costs ranged from over \$500,000 for very large providers to \$8,000 for organizations with under 100 employees. On average the increased costs were estimated at \$45,000 annually. With new costs like this that come without corresponding adjustments to reimbursement rates, providers will face even more difficult decisions about how to continue providing high quality services to Minnesotans with disabilities.

Our workforce is overwhelmingly women, and we do all we can to try to offer the robust wages and benefits possible given how incredibly valuable and hardworking our staff are. But without adjustments to the DWRS system, the dollars are simply not available to offer these very needed benefit enhancements.

The state of Minnesota's waiver-funded disability services is dire. There are weekly media reports about program closures and waiting lists due to lack of staff that impacts the quality of supports Minnesotans with disabilities receive. We are hoping for much needed leadership from the Governor and legislature to adequately fund disability services, both this session as well as upcoming sessions.

The Senate's adoption of the A1 amendment onto SF 2 is a helpful first step in recognizing that passing a new requirement for worker benefits without meaningful adjustments in reimbursement rates to cover the associated costs will only challenge the disability service system further. However, it is just a first step. We ask that you incorporate a funding component into the waiver funded disability rate system to support the increased cost of this program.

If you have any questions for the Best Life Alliance, please reach out to Sara Grafstrom with ARRM at sgrafstrom@arm.org.

Sincerely,

Sue Schettle
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ARRM

Julie Johnson
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