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April 14, 2021

Representative Liebling  
Minnesota House of Representatives  
477 State Office Building  
St. Paul, MN 55155

Representative Schultz  
Minnesota House of Representatives  
473 State Office Building  
St. Paul, MN 55155

Representative Pinto  
Minnesota House of Representatives  
503 State Office Building  
St. Paul, MN 55155

Re: House Omnibus Health and Human Services (HHS) budget bill

Dear Representatives Liebling, Schultz, and Pinto:

Thank you for all of your efforts so far this session. I appreciate the work you are doing for the Minnesotans we serve at the Department of Human Services (DHS). As you finalize the House Omnibus Health and Human Services (HHS) budget bill this week, I want to take the opportunity to highlight many parts of your bill that align with the Governor's budget, other items you have brought forward that we support, and also touch on a few places where we hope to continue to work together.

We are grateful that your omnibus budget package includes so many of the Governor's priorities for DHS programs and services. It is clear that we share a common vision for human services. These investments will strengthen access to early childhood, health care, and human services for the over 1 million Minnesotans served by DHS, and will move us closer to addressing the deep and alarming disparities faced by many communities in Minnesota.

Thank you for including the Governor's proposal to provide DHS with the **flexibility and resources to transition from the 115+ waivers adopted to maintain safe access to human services in response to the COVID pandemic**. This package of changes will make use of the lessons we have learned to transition back to a better delivery system. I also appreciate that you share the Governor's commitment

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to expanding **telemedicine**, along with other changes to our health and human services system that help us get back to better following the end of the pandemic.

Your bill includes the Governor's proposal to provide an **operating adjustment for Direct Care and Treatment services**. This increase is essential to ensuring that we can maintain the capacity to deliver quality treatment to the 12,000 people we serve 24 hours per day, seven days per week. As you know, we serve as the state's safety net provider, serving people needing services that private providers cannot or will not serve.

Your bill also includes ratification of the Governor's proposal to fund a **rate increase to support increased wages and benefits for direct care workers covered by the SEIU bargaining agreement**. It also provides additional funding to establish long-term investments in a rate framework for personal care services. We appreciate your dedication to ensuring that people with disabilities have access to these critical services. Together, these investments will directly help Minnesotans with disabilities live fuller lives in the community.

I appreciate that you included **funding to hold our county and tribal partners harmless for previous billing errors made by the Department**. I've appreciated your involvement with my Commissioner's Advisory Panel as we have worked to improve process controls in the Department, and it would be great to put these historic errors behind us.

You included a critical measure to update the fees for, and increase standardization of, **background studies** to improve protections for clients, and smoothly transition over 161,000 emergency background studies conducted during the pandemic. This is important both in terms of addressing workforce shortages and increasing program integrity.

It is clear that your bill, like the Governor's recommended budget, **invests in children and families across Minnesota**. Some of these provisions include 6-month reporting and modifying the way income is calculated for economic assistance programs, providing an automatic cost-of-living adjustment for the Minnesota Family Investment Program (MFIP), a one-time cash grant for MFIP households, and an increase in the maximum rates for Child Care Assistance Programs (CCAP). You also included important child welfare provisions, including a training initiative for counties to comply with the Indian Child Welfare Act and resources to implement the federal Family First Prevention Services Act.

We really appreciate your focus on health equity, in particular your inclusion of funding to expand the **Integrated Care for High-Risk Pregnant Women** as well as your proposal to **extend Medicaid coverage for pregnant women post-partum**. These investment would mean better health, social and economic outcomes for both mothers and infants in these communities and support the Walz-Flanagan administration's goal of making Minnesota the best state in the nation for all children to grow up in. We also appreciate your inclusion of **proposals to promote health equity** such as making public transportation passes more easily available to Medical Assistance and MinnesotaCare, improvements to the child and teen check-up program, and allowing for 90-day refills of certain prescription medications.

Your bill also includes pivotal reforms in the Governor's package seeking to **streamline, reduce complexities, and promote equity and transparency in our human services system**. Included is a

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proposal to standardize provider and delivery standards in our state's mental health care system. You also included phase two of Waiver Reimagine, which will transform the home and community-based waiver system to ensure that people with disabilities have transparent and equitable access to resources across the state. Thank you for including both of these key transformational reforms in your bill.

You also share the Governor's support for **investments to ensure that the state is in compliance with federal law**. Your bill invests in ensuring that NorthStar payments to families reflect the requirements in federal law. It also addresses the SNAP error rate. Other federal compliance provisions include moving the state forward in developing a new rate structure for case management services, compliance with interoperability and patient access regulations, aligning the MinnesotaCare statute with federal requirements, and aligning with federal FBI requirements for fingerprint background studies.

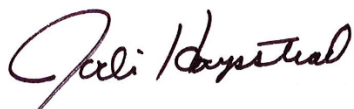
Thank you for including a number of the **reform proposals that were placed in front of the Blue Ribbon Commission**. This includes strengthening protections for nursing home consumers, modifications to disability program rates and billing, uniform administration for pharmacy benefits, revisions to reimbursements for durable medical equipment, uniform administration of non-emergency medical transportation, expansion of the encounter alerting system, and efforts to prevent fraud and increase program compliance.

Finally, I want to thank you for making investments to address the **homelessness crisis** in the state and provide an **operating adjustment for the DHS Central Office**. These are critically important issues for the Walz-Flanagan Administration.

This package represents a strong investment and commitment to the care and services provided by DHS. However, I also want to point out a few items from the Governor's package not included in this bill that we believe are important and necessary investments. These include funding to evaluate the disparity in access to home- and community-based services for BIPOC communities and resources to strengthen the child foster care licensing system. I would also encourage you to include some of the savings items from the Governor's package, including limiting the period of retroactive child care payments and rightsizing the appropriation in the Minnesota Food Assistance Program.

Thank you for your work, dedication to the DHS mission and consideration of these comments. We look forward to working with you as the bill moves through the process and into conference committee. As always, please do not hesitate to contact me or my staff for additional information or assistance.

Sincerely,



Jodi Harpstead  
Commissioner