



February 15, 2023

To: House Human Services Finance Committee

CC: Sen. Alice Mann, Rep. Ruth Richardson

From: Long-Term Care Imperative

RE: HF2/ SF2

Chair Noor and Members of the committee:

On behalf of the Long-Term Care Imperative, which represents over 2,000 providers across the long-term care continuum, we thank you for the opportunity to provide our feedback on SF2/HF2: Paid Family Leave.

Aging service providers appreciate your efforts to institute a Paid Family Leave program in Minnesota. We agree that supporting workers and their ability to raise and care for their families is an important value, especially in the wake of the pandemic and workforce shortages. In support of this shared goal, however, we respectfully wish to raise three considerations as you deliberate this legislation.

1. As many of our peers have highlighted, disability and long-term care services rely on the state for reimbursement. It is unclear how SF2/HF2 will reflect the cost of premiums within our payment mechanisms like Medicaid waivers and Value-Based Reimbursement for nursing homes. A 2019 DHS study has already found that payment rates provided for services like customized living, adult day, or home care under Elderly Waiver are not sufficient to cover the cost of care. We join our provider colleagues in respectfully asking that premiums and other employer costs associated with providing this benefit are explicitly reflected in our state's Medicaid program.
2. As the Legislature knows, aging services remains in a critical workforce shortage. Our most recent survey of LTC providers indicates that we have nearly 20,000 vacancies across the state or 20% of our workforce. As a result, seniors were turned away from our communities 11,000 times in just one month<sup>i</sup>. Data from Minnesota's hospitals suggest that 1,400 extra patient days, amounting to nearly \$37 million in unnecessary health care costs, resulted from just one week of patients being unable to discharge from a hospital to a nursing home or home and community-based setting<sup>ii</sup>. While recognizing the value that this bill offers, we must also acknowledge that providing care for Minnesota seniors is a 24/7 commitment. Policymakers must balance the policy goals of this proposal with the operational and regulatory requirements that come with serving vulnerable older adults. In August of 2022, the Long-Term Care Imperative found that of nursing homes at risk of sale or closure, over 90% reported leadership staff were working direct care,

housekeeping or dietary shifts at least once per week<sup>iii</sup>. We are required by state and federal regulations to have sufficient staff to care for those senior entrusting us for their daily care and services. This is why we are denying admissions into our settings. Our concern is that the broad definitions and length of leave- at a time when we are already struggling to have enough staff to care for residents- will put an additional strain on existing staff and further reduce access to long term care settings. Simply put, for many of our settings, we do not know where additional staff will come from to accommodate the leave provided in this bill. We would like to work with you to address this concern.

3. Within aging services, a critical element of the long-term care (LTC) continuum, the average starting wage for a caregiver in assisted living is \$16 per hour. The average starting wage for a caregiver in a nursing home is \$17 per hour. We know from our own employees and from competition within the labor market that take-home pay is one of- if not the top- most concerns for workers. While this proposal offers paid time off for employees in Minnesota, for our sector, it would do so at current wages. Therefore, we encourage you to also support the critical need to raise caregiver wages who are funded through state investment, by passing SF780/HF733. This would ensure that our long-term caregivers are compensated with wages closer to \$25 an hour, affirming that whether they are serving seniors in our settings or caring for their loved ones at home, they are able to earn a livable wage that truly supports raising a family in Minnesota.

We thank you for the opportunity to raise these considerations with you.

Respectfully,



Toby Pearson  
VP, Advocacy  
Care Providers of Minnesota



Erin Huppert  
VP, Advocacy  
LeadingAge MN

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<sup>i</sup> LTCI member survey, conducted November 1-7, 2022. <https://www.leadingagemn.org/resources/resource-library/long-term-care-imperative-admissions-survey>

<sup>ii</sup> MHA press release, dated January 17, 2023. <https://www.mnhospitals.org/newsroom/news/id/2597/discharge-gridlock-and-workforce-crisis-push-minnesota-hospitals-and-health-systems-to-the-brink>

<sup>iii</sup> LTCI member survey, conducted August 1-7, 2022 <https://www.leadingagemn.org/news/ltc-imperative-nursing-facility-financial-survey-finds-facilities-facing-risk-of-closure>