



February 16, 2023

Rep. Mohamud Noor
House Human Services Finance Committee
379 State Office Building
St. Paul, MN 55155

RE: Impact of H.F. 2(Richardson) on Residential Services Providers

Dear Chair Noor, Rep. Richardson & the House Human Services Finance & Policy Committee,

The Residential Providers Association of Minnesota (“RPAMN”) is a 501(c)(6) non-profit trade association that represents small, residential customized living and waivers service providers in Minnesota. We were formed in 2021 following a series of massive changes to the regulatory and reimbursement landscape in which our members operated. RPAMN has roughly 200 provider members and subscribers, with the vast majority being BIPOC-owned, culturally specific service providers who might not otherwise be engaged in the policy development and legislative processes. We are writing you today to share our thoughts on the impact of H.F. 2 on our members and those who rely on the services they provide.

First and foremost, RPAMN applauds the legislature for its efforts to value labor in all its forms. The direct care workforce in Minnesota is overwhelmingly female and includes a much greater percentage of workers who identify as Black, Indigenous, and People of Color. Many of the workers in this industry are immigrants or speak languages other than English in the home. They are the workers most significantly impacted by a lack of access to family and medical leave.

However, RPAMN does have some concerns about how H.F. 2 might impact residential providers currently struggling with low Medical Assistance (MA) reimbursement and widespread workforce shortages. Unlike most other employers, the Minnesota Legislature has full control over the revenues we receive and the “prices” we’re able to charge. Therefore, any additional payroll tax charged to MA enrolled providers should be reflected in a corresponding increase to our reimbursement.

Additionally, while RPAMN believes paid leaves are essential to economic stability for the direct care workforce, we also know how hard it is to recruit and retain workers and see, every day, the impact the workforce shortage has on the health and safety of individuals who rely on us for their care. The concern, today, is that extended paid leaves will exacerbate that crisis and lead to additional hospitalizations.

Thank you in advance for your support of the disability community.

Sincerely,

Zahnia Harut, President
Residential Provider Association of Minnesota