



April 16, 2024

To: Chair Noor, members of the House Human Services Finance Committee
Re: HF5280 DE1, House Human Services Finance Omnibus Bill

Dear Chair Noor and Members of the Committee:

On behalf of the Long-Term Care Imperative, which represents over 2,000 providers across the senior care continuum, we must respectfully express disappointment about the House's Human Services Omnibus Finance bill. We appreciate that your committee's target does not go far enough to meet the deep needs and priorities in this jurisdiction, but we remain optimistic that we can work with you to address these concerns as the bill moves through the process.

Article 2: Aging Services

- **Sec. 1-3.** We are glad to see language reflecting some of the product of the Assisted Living Small Provider Work Group, which was established during last session; however, changes impacting food code for small providers, use of licensed practical nurses within their scope of practice, and portability of orientation training seem to be absent from the bill. Those policy recommendations were also advanced through this process and are important to assisted living providers of all sizes. A recently completed fiscal note indicates there is no required state spending to implement these changes.
- **Sec. 4.** We have very serious concerns about language that would repurpose funding established last year designed to specifically support distressed nursing homes. We know there are nursing homes waiting for these grant funds right now, and have been waiting for DHS to administer the grant program for months. In fact, when DHS issued an RFI in late 2023, there were over \$100 million worth of submitted requests. We also question the thoroughness of this policy proposal, given that it was never a bill nor topic that was discussed in a transparent manner with impacted stakeholders.
- **Sec. 5.** As we testified to when the Governor's budget proposal was presented to committee, we believe a sunset of the DSH program is premature. The Imperative supports ensuring Elderly Waiver rates are calculated using the most recently available wage data, and until that happens, a sunset of EW DSH is premature. We have been

working with DSH providers to estimate the annual impact of sunseting the rate floor.
As just a few examples:

- A site in Brooklyn Center will lose \$1,177,321.
- A site in Saint Cloud - \$1,856,603
- A site in West St Paul - \$1,180,108
- A site in Bloomington - \$177,265.

If the rate floor ends without recognizing current wage data in the EW methodology, it will be very difficult, if not impossible for these facilities to continue operating and meeting the needs of the unique populations they serve.

Article 8, Appropriations.

- We have long raised concerns about Minnesota's background studies and fingerprinting process. Our providers are consistently losing potential hires to other sectors as a result of closed fingerprinting sites, determinations taking in excess of 30 days, and other challenges. While we appreciate the Committee's interest in finding a solution to this vexing problem, we are not convinced that a \$500,000 study for DHS to become its own processing vendor is the answer.

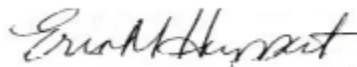
In conclusion, we remain deeply grateful for the permanent and temporary investments made in aging services during the 2023 legislative session. Among those, we must acknowledge that investments made to nursing homes in the form of temporarily increasing the daily reimbursement rate by \$12.35 per resident day. These one-time dollars helped struggling providers keep their doors open in a time of crisis. However, those one-time investment are now set to sunset at the end of this year, and providers are facing an inevitable cliff. We respectfully ask the Legislature to see nursing homes as the safety net they are and preserve access to this level of care for seniors by extending the \$12.35 rate add-on beyond Dec. 1, 2024.

Thank you again for supporting Minnesota's one million older adults and their caregivers across the state. We look forward to working with you.

Respectfully,



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