Lutheran Social Service of Minnesota

March 22, 2023

To: Members of the House Human Services Finance and Policy Committee
RE: HF2847

Dear Chair Noor and Committee Members,

Thank you for the opportunity to share Lutheran Social Service of Minnesota's comments on the Governor's Human Services Biennial Budget Recommendations included in HF2847. LSS is a provider of essential services across all 87 counties with more than 2,500 employees who serve one in 65 Minnesotans every year. This includes services that are innovative and person-centered for older adults and people with disabilities. We appreciate the significant focus on strengthening these services in HF2847.

LSS' wide array of services are designed to meet the unique needs of individuals in a variety of settings and support them to live the life they imagine for themselves. As the need for home and community-based services (HCBS) grows, workforce challenges persist preventing adequate and stable resources that ensure our neighbors are supported when, where, and how they need it. We appreciate the long-term investments proposed in HF2847 that will support community-based nonprofits to recruit, retain, and develop the caregiving field.

We are grateful to share our comments on and recommendations for practical solutions that promote person-centered service delivery and meaningfully support our neighbors to live full and abundant lives.

LSS strongly supports:

- **Increasing the limits for paid parents and spouses in CFSS and CDCS.** This proposal is a strong solution to support people who have more than one family caregiver in their household as well as households with multiple people accessing CDCS. We hope this proposal can alleviate caregiver burnout while also acknowledging the professionalism and importance of caregiving work.
- **HCBS rate increases in MS 256S and CDCS budget parity.** Older adults in Minnesota have experienced barriers to self-direction due to the lack of parity in CDCS budgets. We strongly support this update to ensure equity across populations interested in accessing HCBS.

Please consider the following recommendations:

- **Life Sharing Benefit and Family Residential Rate Tiers.** SF2934 includes the establishment of a discrete medical assistance service for Life Sharing. We applaud the promotion of this innovative, person-centered service model that supports independent living and has the potential to mitigate the impact of the workforce crisis on people with disabilities. However, LSS has concerns about the proposed rates for Life Sharing. SF2934 establishes family residential rate tiers and recommends that Life Sharing services be reimbursed through family residential rate tiers with an additional 10% with the intention to incentivize the use of Life Sharing. Our analysis shows the additional 10%, coupled with the limits to support a maximum of 2 people, will not provide adequate incentive when providers can alternatively provide family residential services and support up to 4 people. Further, Life Sharing providers pay the Life Sharing agency with funds from the family residential services rate which leads to further reduction in their family residential daily rate. Life Sharing providers contract with a Life Sharing agency to ensure consistent quality oversight, manage all 245D license compliance matters, and support achievement of person-centered services and supports. **It is our recommendation to strengthen the reimbursement model for Life Sharing providers and Life Sharing agencies in consultation with providers, people with disabilities, advocacy organizations, and lead agencies.** We are grateful for the shared goal to promote and incentivize the use of this innovative, person-centered service model for people with disabilities. We are deeply committed to removing barriers to accessing this service and building continued sustainability for individuals and providers.
- **Provisions to Update the Disability Waiver Rate System (DWRS).** We support implementing regular adjustments to the Competitive Workforce Factor (CWF) and moving up timing of inflationary adjustments. This will help providers adapt and be responsive to market conditions and reduce the wage gap between direct support professionals and comparable occupation. However, we recommend fully funding the CWF for all applicable DWRS services as well as utilizing the most recently available data for rate adjustments.

Thank you, again, for this opportunity, and we look forward to ongoing collaboration on these issues. Please contact me at erin.sutton@lssmn.org if we may provide further information.

Sincerely,

Erin Sutton, MSW, LGSW
Senior Director of Advocacy
Lutheran Social Service of Minnesota