

October 13, 2023

TO: Senator Melissa Wiklund, Chair, Senate HHS Finance Committee,
Senator John Hoffman, Chair, Senate Human Services Policy & Finance Committee
Representative Tina Liebling, Chair, House Health Finance Committee,
Representative Mohamud Noor, Chair, House Human Services Finance Committee

CC: Members of Health & Human Services Finance Committees
Dr. Brooke Cunningham, Commissioner of Health
Jodi Harpstead, Commissioner of Human Services

Dear Chairs of House and Senate Health & Human Services Finance:

We write today to raise our concerns regarding the impact of a decision that the Minnesota Department of Health (MDH) announced this week—the advisory announcement is attached. In short, the impact of this decision will compound our workforce crisis and require thousands of providers to absorb millions of dollars in unbudgeted costs.

According to MDH, effective February 1, 2024, notably, before the Legislature convenes for the 2024 session, health care providers will be required to cover the full costs of a background study for current or prospective employees, because it is ending its interagency agreement with DHS to pay fees on behalf of MDH-licensed providers. The timing of this announcement, scope of providers affected and implications of this new mandate led us to request an interim legislative hearing.

- **This is a significant change from historical practice.** For years, MDH and the Department of Human Services (DHS) have maintained an interagency agreement to transfer MDH funds provided by the Legislature to DHS to subsidize and support the increasing costs of studies on behalf of providers.
- **This coordination and subsidization reflect legislative intent.** The Legislature intended for MDH to subsidize providers for background studies and has provided MDH with funding for this activity for years. According to MDH's own 2024-25 budget narrative this funding is "to ensure that background studies can be conducted in accordance with both federal and state requirements." Most recently, the 2023 Legislature provided \$6.7 million for this biennium and \$5.7 million for the FY26-27 biennium to MDH, at least in part, to support this purpose.
- **Simply deciding to no longer subsidize background studies does not fix the underlying problem with Minnesota's background studies process.** While we understand the legislative funding to pay for studies may have been underestimated by MDH, this issue is more symptomatic of a broken background studies system than a lack of legislative funding. Providers and legislators alike have long raised concerns about the delays in

processing studies, clunky processes requiring multiple submissions for the same subject, and insufficient access to fingerprinting sites; ultimately, losing prospective hires to other sectors as a result.

We respectfully ask that you convene an interim hearing on this topic so that the Legislature, the public, and the thousands of impacted providers better understand the rationale for this change and ensure that the underlying problems are being addressed.

Sincerely,



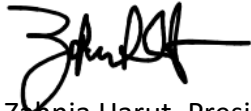
Kari Thurlow, CEO
LeadingAge MN



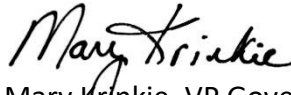
Patti Cullen, CEO
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Kathy Messerli, Executive Director
MN Home Care Association



Zannia Harut, President
Residential Providers Association
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Mary Klinkie, VP Government Relations
MN Hospitals Association