

March 25, 2022

Chair Jennifer Schultz
473 State Office Building
St. Paul, MN 55155

Dear Chair Schultz:

As unions representing thousands of nursing home workers in Minnesota, we write to support HF3729, as part of an overall agenda to address the nursing home workforce crisis that also includes HF3405, the Nursing Home Workforce Standards Board.

We agree with the LTC Imperative that Minnesota must invest significant new resources in nursing homes to address a workforce crisis that long pre-dates COVID-19. We think this crisis is caused in part by the lack of adequate opportunities for workers to have a say in setting industry workforce standards. Simply adding new money to the current system won't produce the systemic changes we need to fix the problem.

We appreciate the efforts in Sec. 20 to connect the increased quarterly payments to wage and benefit increases since January 1, 2022. But we think such a piecemeal approach does not adequately address the problem. We think the Nursing Home Workforce Standards Board more effectively reaches the same end and will produce more enduring change.

We have long supported moving the labor costs from the other-operating price section of the law to the care-related cost section. Since the passage of the original Value Based Reimbursement statute, we have noticed that job classifications covered by the price system, like housekeeping, dietary, and laundry have fallen further behind job classifications, like nursing assistant, covered by the cost system. This change rectifies that problem and properly values the work of all.

We think the need for a greater worker voice is best demonstrated by the provision for the "known cost change factor" (Sec. 5). We agree with industry that, especially in the current environment, the 21-month lag between expense and reimbursement genuinely constrains their ability to respond to a workforce crisis. But the increase is not directly connected to increases in worker wages and benefits at specific homes. We think the Nursing Home Workforce Standards Board provides a simple and efficient mechanism to ensure these automatic funding increases are joined with rising standards for all nursing home workers.

We know there is a bipartisan desire to address the workforce crisis. Provisions for new funding, like HF3729, should be part of that solution. The solution must also include provisions like HF3405 that give greater voice to the workers, both union and non-union, who live the crisis every day.

AFSCME Council 65
SEIU Healthcare Minnesota
UFCW Local 663
UFCW Local 1189
United Steelworkers District 11