



May 2, 2023

Conferees, Human Services Policy & Finance Committee

Dear Conferees:

On behalf of the Long-Term Care Imperative, which represents over 2,000 providers across the long-term care continuum, we would like to share our perspective on SF 2934. Thank you for the investments you have made in this bill, and for recognizing that there are now more seniors than school aged children in this state; and the growing number of seniors age 85 and above are very likely to need long-term care services or supports in their later years.

Access to care is a problem across the state, a problem that impacts not just seniors, but any person who deserves access to the right care in the right place. Seniors are being denied care at alarming rates in communities that were capable of meeting that demand just a few years ago. Each denial represents a senior and family that is unable to receive care in their community.

Just last month, a nursing home outside of Crookston, and another nursing home just outside of Erskine announced plans to close. Since 2020, almost 2,600 nursing home beds have been taken out of service statewide. That is the equivalent of over fifty, 50-bed nursing homes. Even more troubling, we know that an increasing number of facilities are contemplating closure.

While we recognize that most seniors and their families would rather spend their lives in their family homes, we also know what a critical service our nursing homes provide for seniors and persons with disabilities who have more acute care needs. Today's nursing homes serve seniors who have complex clinical conditions, intense staffing needs, multiple comorbidities, and serious cognitive challenges individuals who have needs that cannot be met in home and community-based services settings.

We cannot rely on the nursing home payment system, Value Based Reimbursement (VBR) alone to fix our access problem. Minnesota doesn't have enough time. Many nursing facilities and assisted living settings are using their reserves and indicate they have six months or fewer before exhausting them. The House position relies solely on the status quo of VBR. Nursing homes

across the state have exhausted their lines of credit or are struggling to make their debt service agreements. The fact is, VBR was never designed to endure a pandemic or rapidly increasing double digit inflation.

Forecast projections are not guaranteed revenue that nursing homes can count on to pay bills, bills that are due today. The forecasted increase amounts for nursing homes previously shared by the Administration represent both state and federal share spread over 4 years- so even if that was money the sector could rely upon it assumes the long-term care system has sufficient runway and assumes a healthy occupancy rate, neither of which is true. Furthermore, it is not guaranteed revenue because it's based on a nursing home's previous occupancy--occupancy which is declining due to lack of availability of workforce.

With that background, we would like to share our perspective on SF 2934, the Omnibus Human Services Bill. Specifically, we would like to share our support for:

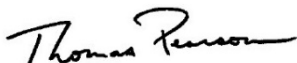
- **Rate Increases for Nursing Facilities:** We recognize the placeholder nature of language proposed in the Senate HHS Omnibus bill. We have testified regarding the need for significant investments in the Nursing Home Workforce. Seniors in the community and those being discharged from hospitals require access to the care they need, in an appropriate setting. Without state investments, lack of access for those with the highest acuity and the most complex needs, those who require nursing home level of service and support, will continue to persist.
- **Elderly Waiver:** We greatly appreciate the much-needed investment in the Elderly Waiver program made in the House HHS Omnibus bill. As the Department of Human Services (DHS) own rate study (*Evaluation of Rate Methodologies for Elderly Waiver and Related Programs November 2018*) has indicated, these programs have been vastly underfunded for years and this funding will correct for that historical underfunding.
- **Elderly Waiver:** We support the Senate HHS Omnibus proposals which seeks to fix Elderly Waiver payment structures and the reconnect CADI and BI increases moving forward.
- **Elderly Waiver Rate Floor for Disproportionate Share:** We support the fixes and investment to the Elderly Waiver rate floor language, Article 2, sec 22 and 23 included in the Senate HHS omnibus bill. These changes will allow those providers who serve a high percentage of waiver clients to continue to serve them and allow more access to those individuals in the future.
- **Critical Access Nursing Facilities:** We support the provision to provide a rate adjustment to sustain nursing facility access in certain communities.
- **PACE:** We support the inclusion of a rate study for the funding mechanism for a Program for All-Inclusive Care for the Elderly (PACE) program.
- **Provider capacity grants:** We support the inclusion of grants to rural and underserved communities to expand and increase access to HCBS for rural and underserved populations and we support the House Omnibus funding proposal.
- **Home and Community-Based Incentive Fund Grants:** We are supportive of this proposal to allow employers to better recruit and retain workforce.

- **Supporting New Americans:** We are supportive of the House Omnibus proposal to provide legal and social service support for New Americans seeking employment and see this a positive step to help talent obtain and maintain work authorization.
- **Long-term Care Workforce Grants for New Americans:** We support the workforce grants for New Americans seeking work in the long-term care sector and are supportive of the House Omnibus funding position.
- **Caregiver Respite Services Grants:** We are supportive of the initiative to improve respite services capacity and increase access for those in need and support the Senate Omnibus funding position.
- **Age-Friendly MN Council:** We are supportive of the section that provides continuation of the Council for several years and funding of this important work; we encourage you to make this body permanent.

While we recognize and appreciate these important steps for funding Long Term Care services and support for Seniors, the need for added investment remains. Without increased investments for Nursing Homes, providers will continue to downsize bed capacity and deny admissions due to lack of workforce. These actions will continue to create access problems for seniors needing nursing home level of care, whether those seniors are seeking discharge from a hospital or placement from the community.

We look forward to continuing to work with the author to try to increase the funding target for Human Services. We implore the Senate to do more for our state's seniors in nursing homes and their caregivers.

Respectfully,



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