



*ARRM leads the advancement of  
community-based services that  
support people with disabilities in  
their pursuit of meaningful lives.*

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St. Paul, MN 55155

Senator Michelle Benson  
95 University Avenue W.  
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Representative Matt Dean  
401 State Office Building  
100 Rev. Dr. Martin Luther King Jr.  
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Saint Paul, Minnesota 55155

April 19, 2017

Dear Chairs of the Health and Human Services Committees:

The Health and Human Services Conference Committee will be considering several policy items of potential significant impact to Minnesotans with disabilities and the providers who provide the supportive services they demand. As CEO of the association representing more than 160 of those providers, I wish to draw attention to action on four key issues this session.

First and foremost, I express my thanks to members of both the House and Senate for the broad attention paid to ensuring the long-term stability and success of the Disability Waiver Rate Setting (DWRS) system. DWRS is a key component to an equitable and accountable service reimbursement system, but regular maintenance is needed for it to reflect current market conditions and keep services strong. This year, upholding the inflationary adjustment due July 1, 2017 at its full amount represents the top priority to the ongoing stability of DWRS. Thankfully, this is represented in both the House and the Senate Health and Human Services omnibus bills. Please ensure it is included in the final budget agreement.

I would also like to call out another positive measure in both the House and Senate bills – the elimination of restrictions on therapeutic leave day billing for Intermediate Care Facilities (ICF) with unfilled capacity. More people living in ICFs will have access to days away from the facility without fear of losing their critical services. This was a law that is no longer consistent with current conditions. Its removal represents good government and a particular benefit to Greater Minnesota.

One item of concern I do wish to highlight is capping the number of days Home and Community-Based Service (HCBS) providers can bill for services at 350. Providers incur costs per person served each day, whether they receive direct care or not. The DWRS frameworks recognize this by including an adjuster to rates that assumes only 350 days of services for everyone and a balance between individuals utilizing less than those 350 days and those who utilize more. A cap eliminates this balance and providers would only net losses for every individual who utilizes less than 350 days of services, resulting in a several million dollar annual cut to overall funding. The House Health and Human Services omnibus bill does not include this cap and I urge conference committee members to consider adopting the House language for the conference committee report.

Finally, I must raise the real and urgent need to increase the wages of direct care workers. Our industry is working aggressively to identify ways to support people with fewer and fewer staff, acknowledging demographic trends show we will not be able to keep pace with the demand for services with staff alone. That will be a multi-year



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process, however, and while the inflationary adjustment in DWRS will help, its impact will not be felt for 70 percent of people in HCBS until 2020 or 2021. With an average wage of \$12 per hour, providers not only cannot recruit enough staff to meet current demand, they cannot even hold onto the staff they currently have, who leave for better paying jobs in retail, food service and other positions in human services. We need action now to stabilize workforce conditions while we continue to make the necessary long-term structural changes. Please consider a rate increase, directed specifically to direct care worker wages such as that proposed by the Best Life Alliance, for your final budget bills.

While there are these issues of concerns, I wish to reiterate my thanks for the openness and consideration that has been shown by both the House and Senate for HCBS providers and the people they support. This is a positive dynamic that will serve the state well.

Sincerely,

Cheryl Pray  
CEO

Cc:

Senator Karin Housley

Senator Tony Lourey

Senator Paul Utke

Representative Tony Albright

Representative Debra Kiel

Representative Joe Schomacker

Representative Jennifer Schultz