



April 3, 2024

Sen. John Hoffman, Chair
Senate Human Services Committee
95 University Avenue W.
St. Paul, MN 55155

RE: S.F. 4045 (Hoffman)

Dear Chair Hoffman and Committee Members:

The Minnesota First Provider Alliance (Provider Alliance) is a statewide trade association representing personal care assistance (PCA) agencies and waiver service providers. The PCA program is a critical service that assists over 44,000 Minnesotans in their home and community.

The Provider Alliance has advocated for an enhanced PCA rate for individuals with high needs since the organization's inception. Further, the Provider Alliance led efforts to enshrine the enhanced rate in state statute. We believe it is a valuable tool in recruiting and retaining staff capable of serving the highest need individuals in the program. Under current law, PCA agencies serving individuals assessed as needing ten or more hours of care per day are eligible for the enhanced rate, an increase of 7.5%. Even with this increase, people with high support needs still struggle to find and keep staff.

Current law requires that the additional revenues generated by the enhanced rate are passed on directly to the worker in the form of wages and benefits. The Provider Alliance has concerns with S.F. 4045, as introduced, as it would require the entirety of the additional revenue to be passed along as wages and force agencies to absorb the additional wage-related costs, including payroll taxes, workers' compensation premiums, and unemployment insurance, which are linked to base wages. This would create a financial disincentive for agencies to take on clients who might be eligible for the enhanced rate. The Provider Alliance has been in communication with proponents of the legislation and believe an amendment will be offered in committee to address these concerns. Assuming that amendment is adopted, the Provider Alliance is comfortable with the language in S.F. 4045.

Further, the Provider Alliance is supportive of any effort to secure services for Minnesotans with high support needs who qualify for the enhanced rate. S.F. 4045 would establish a tiered enhanced rate increase based on the assessed needs of the individual accessing services. This would help Minnesotans with the highest support needs to secure and retain staff which will support them in living in their communities. That being said, access to the training required to receive the enhanced rate training remains a barrier, disproportionately limiting wages for workers of color, especially non-English speakers, and workers in rural communities. The Provider Alliance would respectfully request that the client-centered training flexibilities authorized under S.F. 4531 be included in any proposal focusing on enhanced rate PCA services.

Thank you, Chair Hoffman, Sen. Fateh, and the members of the Senate Human Services Committee for all your work on the PCA program.

Sincerely,

Dena Belisle, President
Minnesota First Provider Alliance