



February 19, 2025

To: Members of the Senate Human Services Committee

RE: Governor's Human Services Budget Recommendations

Dear Chair Hoffman and Committee Members:

Thank you for the opportunity to share Lutheran Social Service of Minnesota's comments on the Governor's Human Services Biennial Budget Recommendations. LSS is a provider of essential services across all 87 counties with more than 2,600 employees who serve one in 63 Minnesotans every year. This includes innovative and person-centered home and community-based services (HCBS) for older adults and people with disabilities.

We appreciate and understand the difficult decisions the Governor and legislature will need to make to ensure a balanced state budget. We write today to share our concerns and request your careful consideration of proposals that will limit the ability of community providers to sustain competitive wages and benefits for direct support professionals (DSPs) and impact access to HCBS for our neighbors.

We request careful consideration of limiting rate exceptions in residential services (AD-94). In 2017, LSS responded to community need by creating a unique service, Specialized Community Supports, to support people with complex, intersecting needs. Highly-skilled DSPs provide individualized supports to our neighbors with serious mental health conditions, traumatic brain injury, early childhood trauma and abuse, substance use disorder, and intellectual and developmental disability. This model has been highly successful at helping people who are often living in institutional or state-operated settings to live in their community as independently as possible. To adequately meet support needs, Specialized Community Supports requires rate exceptions. We currently support 76 people in 18 counties. We also have a waitlist of 40 people seeking this service option who haven't found successful placement in traditional community residential settings, with new referrals coming in weekly. **The existing rate exception process already prevents or significantly delays accessibility to appropriate level of care in the most community-integrated setting within an individual's community of choice. We request opposing policy changes that will worsen this.**

Limiting billing for residential services (AD-95) to a maximum of 351 days per year is concerning and will result in significant financial losses within LSS' Disability Residential



Services. With the current system of the 365 billable day authorization and the absence and utilization factor, providers typically make up for lost billable days. Removing 14 billable days will result in providers not being able to recover costs when people supported utilize services all 365 days.

Establishing a daily time limitation on Individualized Home Support (IHS) with Training Services (AD-96) will create service access issues for those with higher support needs and who have chosen to remain in their own home. We recommend maintaining access to support that supports people in their home and community of choice.

We recommend prioritizing investments, rather than reductions, in the Direct Support Professional (DSP) workforce and oppose capping inflationary adjustments (AD-97). Reimbursement rates for HCBS have not covered the true cost of service for several years and current rates are not sustainable. Current statute directs DWRS rates to be adjusted every other year based on federal wage and economic data. This data-driven approach is an important, long-term solution to reducing the wage gap between DSPs and comparable occupations.

DSPs are the backbone of HCBS programs. Their work promotes informed decision-making, understanding risk, and exercising the rights and choices of people. Providing direct support is highly complex and requires significant skills, including behavioral assessment, medication administration, and crisis prevention and intervention. Ignoring the data and implementing a cap will further delay wage increases when wages are already not competitive nor reflect the labor market. It also has the potential to negatively impact the health, safety, and well-being of the people we support. **Please protect planned investments and consider implementing an adjustment to the Competitive Workforce Factor to invest in this critical workforce.**

Thank you, again, for this opportunity, and we look forward to ongoing collaboration on these issues. Please contact me at erin.sutton@lssmn.org if we may provide further information.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Thueson", written over a light blue horizontal line.

Patrick Thueson, President
Lutheran Social Service of Minnesota