



March 21, 2025

Re: Support for SF 2796 – Waiver Case Management Rate Increase

Chair Hoffman and Members of the Human Services Committee,

Thank you for the opportunity to express our strong support for SF 2796, which seeks to address the human services workforce crisis by increasing reimbursement rates for waiver case management and establishing a long-term framework for fair compensation and workforce stability.

Thomas Allen provides waiver case management services to over 8,000 individuals with disabilities throughout all of Minnesota. Every day, our 172 case managers, making up approximately 30% of our company, help individuals with disabilities access critical services, coordinate care, and advocate for their needs, allowing them to live independently and avoid long term hospitalization or nursing home placement. However, despite the essential nature of this work, reimbursement rates have not increased since 2015, and agencies like ours are struggling to recruit and retain qualified case managers.

The workforce shortage has reached a crisis point. The basic cost of doing business continues to increase, yet our reimbursement rates do not, forcing our company to make difficult decisions regarding wages, benefits, technology, training, administration and ongoing support to our employees. Margins continue to shrink and the threat of discontinuing or shrinking services is real. We have seen partner agencies close their doors and give up contracts because they cannot afford to stay in business. Human Services professionals pour their heart and soul into their work to serve the less fortunate, people living below the poverty line and people with chronic illness and serious disabilities. They deserve to make a livable wage.

Within Thomas Allen, since 2020, the average tenure of a case management employee has dropped from 2 years to 7 months. Due to the rate of pay our teams are often in a position to hire candidates directly out of college, and with no previous knowledge/experience of disability services. Unsurprisingly, we continue to experience high turnover in our essential role. With the reimbursement rate remaining the same for a decade, we've been unable to pay our Case Managers a wage that supports continuing with this career and lose many talented Case Managers to other fields. Our hiring range for case managers is \$46,600 – \$52,000 annually. That's similar to the starting wage of a teacher in Minnesota, except with these reimbursement rates, we cannot afford the same benefits package as most school systems, meaning overall, our employees are lower compensated than teachers. Without action, the situation will continue to worsen, leaving people with disabilities without the consistent, high-quality case management support they need.

SF 2796 takes essential steps to stabilize the waiver case management workforce by:

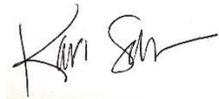
- Increasing reimbursement rates to help agencies offer competitive wages and retain skilled professionals.
- Requiring an annual labor market analysis to ensure rates reflect real workforce conditions.
- Establishing a structured review process to prevent future stagnation in funding.

These changes will help address workforce shortages, reduce service disruptions, and ensure that people with disabilities receive the high-quality case management they deserve. Case managers ensure state disability funds are used effectively, and investing in this workforce now will prevent higher costs down the road.

Failing to act means more case managers leaving the field, more families struggling to navigate complex systems alone, and more Minnesotans with disabilities losing access to vital supports. By passing SF 2796, Minnesota can make a much-needed investment in the stability and well-being of both case managers and the people they serve.

We urge you to support this critical legislation. Thank you for your leadership and commitment to strengthening Minnesota's human services workforce. Please do not hesitate to reach out with any questions at **651-789-1235** or karis@thomasalleninc.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Kari Schuster", is positioned above a thin horizontal line.

Kari Schuster, LISW
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