

April 8, 2025

Dear Chair Hoffman and Members of the Senate Human Services Finance and Policy Committee:

On behalf of the Minnesota Department of Human Services, I want to thank you for your commitment to empowering people to thrive by building a human services system that is innovative, effective, accountable, and responsive to the needs of Minnesotans.

Developing a budget this session is especially challenging, and I am pleased to see that your proposed budget bill (SF 3054 DE) includes both responsible reforms to address the projected budget shortfall, as well as investments that will improve people's lives. I want to extend my gratitude for the inclusion of several of Governor Walz's and Lieutenant Governor Flanagan's key budget priorities, including:

- Building on historic investments in the **Community First Services and Supports (CFSS)** so that people have meaningful options to live and work in their homes. This funding also ensures implementation of the self-directed workforce contract between SEIU Healthcare of Minnesota and the State.
- Including funding to implement standards adopted by the **Nursing Home Workforce Standards Board**. Good jobs are the foundation of an equitable economy, and the caring economy is the backbone of our human services system.
- Strengthening health and safety protections for children and young adults with autism who use Medical Assistance **Early Intensive Developmental and Behavioral Interventions (EIDBI)** services.
- Prioritizing **Tribal sovereignty** by creating a path for Tribal Nations to access the federally funded rates for members who use **Vulnerable Adults and Developmental Disabilities Targeted Case Management (VA/DD-TCM)**.
- Utilizing **data-based and person-centered approaches to address disability waiver spending**, including aligning rate framework cost-components with data, practical limits on billing for *training* services, and distinct reimbursement for asleep and awake services. These approaches shield people and families from blunt tools such as waiver caps and large-scale rate cuts.
- Reforming **nursing facility reimbursement** by repealing now obsolete incentives such as property rate inflation adjustments and paying facilities to close beds and facilities.
- Ensuring **people who access substance use disorder services have access to comprehensive health care coverage** under Minnesota's Medical Assistance program.
- Shifting to new **evidence-models of SUD treatment that integrate clinical and social supports**, while also facilitating **transparent billing practices**. These changes will better support program accountability, individualized needs, and positive outcomes.
- Promoting improved **care coordination and discharge planning for competency attainment programs**. This change will help to ensure that individuals receive the proper care and support needed to effectively participate in legal proceedings.
- Funding the **operating adjustment for state-operated safety net programs** which offer services for people with mental illness, substance abuse disorders, and developmental and intellectual disabilities.

As a highly specialized health care system, Direct Care and Treatment cannot operate programs without sufficient staffing to provide safe and effective treatment.

We are excited to see investments to improve **Minnesota's substance use disorder continuum of care** that reflect DHS's recommendations to implement data-informed reimbursement rates. We are also pleased to see investments and innovations that allow **Community First Services and Supports (CFSS)** to be provided in short-term hospital stays. Both investments address the burgeoning workforce crisis and mend cracks in the current service continuum.

As this bill continues to make its way through the legislative process, we hope to continue dialogue about the Governor and Lieutenant Governor's recommendation to expand recovery housing options and implement a certification for recovery residences. Considering threats to federal behavioral health grants and the ongoing opioid crisis, we hope to identify budget solutions that mitigate reductions to harm reduction, safe recovery site, and contingency fund grants.

Our team will continue to analyze the bill and provide additional feedback and technical assistance in the weeks ahead. People should always be at the center of what we do in human services and your budget bill reflects that commitment. Thank you again for your committee's work.

Sincerely,



Shireen Gandhi  
Temporary Commissioner  
Minnesota Department of Human Services