



April 8, 2025

Sen. John Hoffman, Chair  
Senate Human Services Committee  
95 University Avenue W.  
Minnesota Senate Bldg., Room 2111  
St. Paul, MN 55155

**RE: Senate Omnibus Supplemental Human Services Appropriation Bill (S.F. 3054)**

Dear Chair Hoffman and members of the Senate Human Services Committee,

The Residential Providers Association of Minnesota ("RPAMN") is a non-profit trade association that represents small, residential customized living and waivers service providers in Minnesota. The vast majority of RPAMN members are BIPOC-owned, culturally-specific service providers who might not otherwise be engaged in the policy development and legislative processes.

We are writing you to express our gratitude for the inclusion of a number of RPAMN's legislative priorities in S.F. 3054. This committee's commitment to supporting the individuals we serve is unquestionable. Specifically, we would like to thank the committee for the following:

- **Direct Staff Pass-Through Obligations (S.F. 2168-Fateh):** S.F. 3054, as amended, includes the language from S.F. 2168 that would direct the Department of Human Services ("DHS") to work to clarify cost reporting and then make adjustments to the threshold (Article 2, Section 54). This will help provide DHS with the resources needed to work with RPAMN and other stakeholders to improve the DWRS cost-reporting system and better understand what wage/benefit obligation may need to be included in state law in the future.
- **Customized Living Rate Alignment (S.F. 812-Fateh):** S.F. 3054, as amended, includes the language from S.F. 812 that would direct DHS and the Minnesota Department of Health ("MDH") to make recommendations on how to align the customized living reimbursement with the costs of assisted living licensing. (Article 9, Section 18).
- **Integrated Community Settings Changes (S.F. 813-Fateh):** S.F. 3054, as amended, includes language from S.F. 813 that would impose a two-year ICS settings moratorium (Article 2, Section 7) and direct DHS to develop a transitional or provisional license to facilitate approval of rented settings (Article 2, Section 58). RPAMN respectfully request the addition of language directing DHS to use the two-year moratorium to process the backlogged applications. RPAMN would also like to see the additional components of S.F. 813 added, including language directing DHS to make recommendations on how to codify the ICS setting approval process and issue a quarterly report on setting capacity, utilization, and approval wait times.
- **Assisted Living Resident Terminations (S.F. 2055-Fateh):** S.F. 3054, as amended, includes language from S.F. 2055 that would make changes to the process whereby assisted living facilities are able to terminate agreements with residents. RPAMN continues to work with stakeholders on this proposal and appreciates the opportunity to continue that discussion alongside a number of other assisted living licensing reforms being promoted by consumer groups.

These provisions are all incredibly positive and will help RPAMN and its members work towards a sustainable system for the thousands of individuals who rely on their services.

With respect to the overall budget bill, including the various proposals to decrease spending, RPAMN would like to begin by thanking the committee for NOT including the governor's proposal to prohibit individuals on the CADI/BI waivers who are under the age of 55 from accessing customized living services. This would have been catastrophic for our members and limited the ability of individuals to choose culturally-specific providers in their communities. That being said, RPAMN does have some questions and concerns about S.F. 3054, as amended.

- **CADI/BI Waiver Eligibility:** S.F. 3054, as amended, includes language (Article 2, Section 15) that changes the determination of CADI/BI eligibility for individuals needing nursing home level of care to include consideration of a risk for homeless or hospital readmission (Minn. Stat. 144.0724, subd. 11(7)). RPAMN does not fully understand the impact this would have on their ability to serve their clients and looks forward to better understanding this proposal as the session continues.
- **Limits on Rate Exceptions:** S.F. 3054, as amended, includes the governor's proposal (Article 2, Section 35) that provides that, beginning July 1, 2026, DHS impose limitations on rate exceptions. This is the governor's proposal. RPAMN has concerns that limits on rate exemptions will impact access to care as the current rate setting system often fails to appropriately recognize a client's needs.
- **DWRS Inflationary Adjustments:** While Senate bill does NOT include the governor's proposal to cap DWRS adjustments at 2%, S.F. 3054, as amended, includes language that ties future adjustments to the Consumer Price Index instead of the current Bureau of Labor Statistics data. This is another item that RPAMN is working to better understand but has concerns that this will create problems for providers in an uncertain economic landscape into the future.

We look forward to working with you and the committee as the bill advances through the legislative process and greatly appreciate work with RPAMN leadership this session.

Thank you for the work you do and for your support of Minnesotans with disabilities.

Sincerely,

Zahnia Harut, President  
Residential Providers Association of Minnesota