MINNESOTA
OFFICE OF OMBUDSMAN
FOR MENTAL HEALTH AND
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April 15, 2026

OMHDD Support for SF 4467 A1

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

The Office of Ombudsman for Mental Health and Developmental Disabilities (OMHDD) strongly supports the continuity of care provisions in SF 4467 A1.

Like many who have come before you this session, OMHDD acknowledges the need for more robust program integrity, fraud prevention, and fraud mitigation efforts. We applaud the provisions in SF 4467 A1 that promote transparency, accountability, and continuity of care for people receiving residential services. Notifying lead agencies, case managers, ombudsman offices, and most importantly, clients themselves will prevent much of the misinformation and chaos OMHDD has seen.

The establishment of a continuity of care team, with clear responsibilities, to ensure contingency plans are in place for people receiving residential services is crucial to preventing sudden loss of both housing and services due to the payment withhold process. We are also grateful for the inclusion of our recommendation that, should the direction of the continuity of care team be declined, notice must be given to the legislature. We feel this is a critical element for transparency and accountability in the department's decision-making process. We also support clarification that a payment withhold does not absolve the provider of its other obligations under Chapters 144G, 245A, and 245D.

As we continue reviewing the many other important provisions of SF 4467 A1, we look forward to ongoing engagement with the committee. OMHDD thanks you all for your dedication and commitment to *people* over *process* in this important work.

Best,

Lisa Harrison-Hadler
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National Alliance on Mental Illness
MINNESOTA

April 15, 2026

Human Services Committee
Minnesota Senate Building
95 University Avenue West
Saint Paul, MN 55155

RE: SF 4476 DE

Dear Chair Hoffman and Committee Members,

On behalf of NAMI Minnesota, thank you for your continued leadership in strengthening Minnesota's mental health system. We especially **appreciate your support for expanding case management for people who are incarcerated** – an important step in ensuring continuity of mental health care, improving reentry outcomes, and supporting recovery.

We do, however, want to **express concern regarding proposed changes to Nursing Facility Level of Care (NF LOC) criteria** that would eliminate two key pathways for qualifying for CADI waiver services: a need for daily clinical monitoring and eligibility based on living alone with additional risk factors. For Minnesotans living with serious mental illness, these pathways are often essential to accessing the level of care and support needed to remain in the community.

Access to CADI waivers is already a significant barrier for many Minnesotans with mental illnesses. Removing these criteria – particularly the recognition of risk for individuals living alone – will make it even more difficult for people to qualify for services that help prevent crisis and hospitalization. Without these supports, individuals are more likely to experience worsening symptoms, increased isolation, and greater reliance on emergency and inpatient care.

Please carefully consider the mental health implications of these changes. Preserving access to CADI waivers through these eligibility pathways is critical to maintaining a system that supports stability, recovery, and community-based care for individuals with serious mental illness.

Thank you for your attention to these concerns and for your ongoing commitment to improving access to mental health resources for all Minnesotans.

Sincerely,

Marcus Schmit
Executive Director

4/16/26

Chair Hoffman and Committee members,

I am writing to express our sincere appreciation for your inclusion of the **complete repeal of Waiver Reimagine** in SF4476, the Human Services Omnibus Budget Bill. This action represents a critically important step toward protecting the rights, dignity, and well-being of Minnesotans with disabilities. Disability Voice Advocates (DiVA) strongly and enthusiastically supports this repeal and urges all Committee members to do the same.

DiVA is a nonprofit organization led by people with disabilities and their families, and we have been deeply engaged in raising concerns about Waiver Reimagine. For multiple legislative sessions, we have advocated for reforms to the budget methodology underlying the proposal—specifically, the need to ensure that individual budgets are based on a person's needs rather than their setting. The current Waiver Reimagine framework creates incentives that risk steering individuals toward more institutional forms of care, which runs counter to both best practices and federal standards.

Our concerns have now been further reinforced by recent legal analysis. On April 13, 2026, Shamus O'Meara, a highly respected Minnesota disability rights attorney, submitted testimony indicating that Waiver Reimagine, as proposed, likely violates federal law. He warned that its implementation could expose the state to class action litigation as individuals and families are forced to defend their civil rights.

The inclusion of a full repeal in SF4476 demonstrates strong leadership and a commitment to getting this right. It ensures that waiver programs intended to support people with disabilities do not instead place them at risk of harm, reduced autonomy, or unlawful discrimination.

DiVA respectfully urges all Committee members to support this repeal and to continue working collaboratively with the disability community to develop policies that are lawful, person-centered, and grounded in individual need.

Thank you for your leadership and consideration.

Kristine Sundberg, Executive Director
Elder Voice Advocates/Disability Voice Advocates
kris@eldervoicefamilyadvocates.org
952-239-6394

To: Chair Hoffman, Senate Human Service Committee

From: Brian Zirbes, MARRCH Executive Director

Subject: Public Testimony on SF4476a-1

Date: April 16, 2026

MARRCH appreciates the opportunity to provide feedback and engagement on SF4476a-1. We support and encourage this committee's effort to improve program integrity and oversight. We want to ensure that potential changes have the right intended effect on enhancing oversight without undue burden.

Behavioral Health Article 3—Section 3: Elimination of Free-Standing Room and Board by December 2026 instead of July 2027.

The elimination timeline was originally set during the 2025 special session. There are current FSRB sites that are actively working on getting those sites licensed by July 2027 as residential 245G programs through DHS. It can often take up to 12 months to get a program licensed with DHS and this timeline change would eliminate crucial time needed. **If 6 months are removed from this planned timeline it will disrupt client care.** The appeal of grabbing savings through this proposal should be tempered with the awareness that this part of the treatment continuum has undergone substantial upheaval in the last year.

Recommendation: Stick to the original timeline for eliminating FSRB by July 2027. An alternative suggestion if this still moves forward would be to add language that would "allow an FSRB site that has a completed licensing application with DHS, to continue operating up until July 2027 or upon the license being granted, whichever comes first."

Behavioral Health Article 3—Sections 9, 11-20: Recovery Residence certification and requirements timeline moved up a full year.

It was just during the last legislative session that a Recovery Residence workgroup was created to develop recommendations for the 2027 Legislative session. This workgroup has only begun meetings a few months ago.

- Is the recommendation to move everything up a year from that workgroup? If not, what is the purpose of developing a workgroup if decisions preempt their work?
- Is a vendor already selected and ready to start certifying recovery residences by July 2026?

Recommendation: Stick to the original plan to allow the group of experts to discuss, evaluate, and develop recommendations for this body to consider in 2027.

Article 4—Section 4: Auto Inflation adjustment fix

We appreciate DHS' effort to clean up the auto inflation adjustment language that was passed during the 2025 session. Line 33.21 adds, '254B.0505, subdivision 1, clauses (1) to (9), however the clauses under 254B.0505 subd 1 go from 1-10, with (10) being ASAM 3.5 high intense residential.

Recommendation: Amend the language on line 33.21 to replace (9) with (10).

Thank you for your time and consideration. We stand ready to assist and provide any further information to support these critical changes.

April 16, 2026

Chair Hoffman and Members of the Human Services Committee:

On behalf of ARRM and our over 200 disability residential waiver service providers, thank you for the opportunity to provide comments on SF 4476, the Human Services Omnibus Finance bill.

We want to begin by thanking the Chair for not including any of the provisions included in the Governor's budget proposal that would have resulted in significant rate cuts for providers, including capping billable days at 351 for residential service providers and capping inflationary adjustments at 2% annually. At a time when providers continue to grapple with workforce shortages due to low wages and increasing costs in all areas of service delivery, any additional funding cuts would be devastating.

We would also like to highlight a couple of items that are included in the bill that we would like to express our support for:

Article 2, Section 12 requires the Commissioner of Human Services to issue guidance on statute changes and waiver plan amendments within 120 days of the effective date. Clear guidance from the Department is critical to ensure a standard understanding of the implementation of policy changes. Requiring timely guidance will improve transparency, ensure more consistent application of rules across the state, and help prevent unintentional noncompliance. Clear guidance benefits everyone in the system, from providers, county agencies, the Department of Human Services, and, most importantly, the people receiving services. Additionally, this is an important tool for program integrity, ensuring all services are delivered in line with the same expectations.

Article 2, Section 20 reduces the target cut that the Long-Term Services and Supports Taskforce must identify by July 1, 2027. During the 2025 session, the legislature had to make extremely challenging decisions about how to balance the state's budget, including significant funding reductions to services that support people with disabilities. Reducing this target is critical to ensure that services and support for people with disabilities and county partners do not face additional, unsustainable cuts in the coming year.

As the committee continues to consider this bill, we hope they will consider language that removes the cap on allowable IHST hours in a day for individuals with complex, 24-hour needs. We are grateful for the monthly cap flexibility that is being offered in the Omnibus Policy bill, but this flexibility will not address the needs of everyone. We encourage the committee to consider proposals that will impact individuals who are currently receiving 16 hours a day of support, removing the cap for these individuals, and ensuring that they have access to the amount of service they need to continue living successfully in their own home.

Finally, we would like to thank the Chair for not including the proposed 25% reduction to Family Residential Services (FRS) rate tiers in this bill and encourage the committee to continue to consider the proposal to bring FRS rates back into the Disability Waiver Rate System. Family Residential and Life Sharing Services are a critical part of the spectrum of services that support

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people with disabilities. These services allow individuals to choose to live with a family, in the family's home, as opposed to a provider-controlled home. Establishing a Family Residential and Life Sharing Services rate tier system will result in major reductions to rates and disruptions to services. Now, more than ever, is the time to ensure that all services are sustainable going forward.

Again, we would like to thank the committee for their thoughtful consideration of funding proposals that will impact people with disabilities and their service providers. Thank you for the opportunity to collaborate on these proposals, and we look forward to continued discussions this legislative session.

Sara Grafstrom
Senior Director of State and Federal Policy, ARRM

Lutheran Social Service of Minnesota

April 17, 2026

Dear Chair Hoffman and Committee Members,

Thank you for the opportunity to share Lutheran Social Service of Minnesota's comments on SF 4476 – the Omnibus Human Services Budget Bill. LSS is a community-based nonprofit provider of essential services across all 87 counties with more than 2,500 employees who serve one in 63 Minnesotans every year. This includes innovative and person-centered home and community-based services for older adults and people with disabilities.

We deeply appreciate your commitment to prioritizing policy changes and investments that preserve and strengthen services. LSS largely supports SF 4476, but as the committee continues to consider opportunities to protect access to services that support stability, health, and the ability of individuals to live as independently as possible in their homes and communities, we hope you will consider the following:

- **Improving Individualized Home Supports with Training (IHS-T).** We deeply appreciate the committee's inclusion of modifying new limits to IHS-T in the Omnibus Human Services Policy Bill. These simple but impactful modifications will provide the flexibility needed to maintain service continuity for people who live in their own home. Given the budget impacts, please consider removing the service hour cap for individuals with complex needs to ensure person-centered practices remain available for our neighbors as you negotiate a final human services finance package

- **Sustaining access to Supported Decision-Making Services.** We recommend sustaining state resources to build a strong foundation and network of supported decision making practice, as laid out in SF 2853 (Maye Quade). LSS has long recognized the need for strong, accessible alternatives to guardianship. The existing grant program, whose funding was extended during the 2025 session to run through June 2026, has successfully supported individuals under guardianship to decrease restrictions or achieve full restoration. It has also expanded alternative approaches in health care settings to help people transition out of a hospital setting while preventing the use of guardianship. We hope you will consider continued investment in this approach that preserves the dignity and rights of individuals while investing in cost-effective prevention and early intervention services.

Lutheran Social Service of Minnesota

Thank you for your consideration of our comments. We are grateful for your prioritization of protecting planned investments and thankful for your thoughtful leadership. Please contact Erin Sutton, LSS Senior Director of Public Policy, at erin.sutton@lssmn.org if we can provide further information.

Sincerely,

Patrick Thueson
President
Lutheran Social Service of Minnesota

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Fraser
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April 16, 2026

Dear Chair Hoffman,

Thank you for accepting these comments on SF 4476.

As background, Fraser is a Minnesota-based nonprofit with over 90 years of experience. We are an Essential Community Provider that delivers a variety of disability and behavioral health services to individuals from across the state. In the past year, we served children, adults, and families in each of the districts of the members on the Human Services committee.

Thank you for protecting disability services! We are grateful that the committee has not adopted the harmful cuts to disability services that the Governor recommended earlier this session, including increases to some parental fees. We also appreciate the provision in SF 4476 to reduce some of the future contingent cuts to disability services that were passed in a previous session. The work it was intended to accomplish of bringing together stakeholders to find ways to change the cost curve of disability services has started. As this committee explores possible ways to keep unspent money at the end of the biennium in health and human services, please consider incorporating a mechanism to dedicate unspent funds toward further reducing the remaining blunt contingent cuts.

We also want to thank you for your support of the working group on disability case management. We are eager for that new group to begin its work of evaluating case management and making recommendations for how to improve the quality and sustainability of this critical service.

Finally, we would appreciate additional information about the proposed changes to the Nursing Facility Level of Care criteria for the CADI and BI disability waivers. Specifically, how many people are projected to lose waiver eligibility, and what portion of those individuals have mental health needs?

Thank you again for your work on SF 4476. We are grateful to have you and all the committee members as champions for individuals with autism, mental health needs, and disabilities.

Sincerely,

Lucas Kunach
Director of Business Development
612-798-8303

Minnesota Home Care Association

April 17, 2026

Chair Hoffman and Members of the Senate Human Services Committee,

My name is Kathy Messerli and I am the Executive Director of the MN Home Care Association (MHCA), whose members provide hands-on home care to more than 30,000 older Minnesotans and individuals with disabilities in their homes. I am submitting this testimony to **thank you for including SF 3733, the MN Home Care Association's 2026 Policy bill, in the SF 4476 A1 DE amendment.** These home care policy provisions can be found in the SF 4476 A1 DE amendment in Article 4, Section 8,9, and 33.

At MHCA we are acutely aware of the rapidly growing number of Minnesotans who, without access to home care services, will have to turn to more intensive, expensive - and currently overly stressed – facility-based care such as hospitals and long-term care settings. We know it's not the preferred option for most Minnesotans AND our state budget cannot afford to provide that more intensive level of care to all who will need it. This is why we are working this session to advance two meaningful policy steps the state can take to increase access to home care. SF3733 does two things: 1) updates the structure for use of home care fine dollars to align more closely with changes passed into law last session for Assisted Living fine dollars, to allow for consistency and clarity and 2) Ensures timely filling of vacancies on the MN Department of Health's Home Care and Assisted Living Advisory Council.

As our state works to bring better access to home care services to Minnesotans across the state, we must look at ALL steps that could help move us in that direction. In a year like this one where finances are very limited, **seemingly small but meaningful process improvement steps - like those included in this bill – are common sense improvements that will benefit Minnesotans.** I would like to thank Sen Wiklund for carrying this bill and Sen Utke and Abeler for signing on as co-authors. I would also like to note that SF 3733 has been endorsed by the MN Leadership Council on Aging.

Thank you for the opportunity to submit this letter expressing **our gratitude for the inclusion of SF3733 in this committee's finance omnibus bill**, and I am happy to engage in any further discussions.

Sincerely,

Kathy Messerli

Kathy Messerli
Executive Director
MN Home Care Association

April 15, 2026

Senate Human Services Committee

RE: SF4476

Dear Chair John Hoffman and Members of the Human Services Finance and Policy Committee,

The Multicultural Autism Action Network is a nonprofit organization serving families of children with disabilities across multicultural communities. We write to express our strong support for some sections of SF4476 and amendments and express concern about others.

We strongly support pausing the implementation of Waiver Reimagined. We are deeply concerned that the current approach risks shifting the balance away from home- and community-based living toward more restrictive congregate settings. This runs counter to what many individuals with disabilities want for their lives: the opportunity to live at home, with their families, supported in ways that truly meet their needs.

We have seen firsthand the consequences of this imbalance. In one case, a teenager with significant needs who sought help from our organization was supported with a budget exceeding $250,000 per year while living in a congregate setting. Yet when he returned home to live with his family, his budget was reduced to just $30,000 annually—despite no change in his needs. His family wanted to care for him at home, but the drastic reduction in support made it impossible. As a result, he has cycled between home and congregate care, experiencing instability, repeated hospitalizations, frequent reassessments, and significant stress for his family. With appropriate support at home, much of this disruption—and cost—could have been avoided.

We are also concerned that people with disabilities and their families have not been adequately engaged in shaping Waiver Reimagined. Any changes to policies of this magnitude **must be informed by the people who use them.**

Finally, we are troubled by the potential fiscal impact. By incentivizing more expensive congregate care over home-based solutions, the current approach may increase costs to the state while producing worse outcomes for individuals and families.

We strongly oppose the reinstatement of TEFRA fees.

The state of Minnesota made a huge step forward when it eliminated the parental fees for children with disabilities to participate in Medicaid. When we eliminated those fees, the legislature heard testimony from families who had turned down promotions, taken out a second mortgage, were driven deep into debt, or faced impossible choices between their child's care and basic expenses. In other cases, families told stories about forgoing services even though their children met the high threshold of care to qualify.

As a result of many years of hard work by parents and advocates these fees were finally eliminated in 2023, making an immediate financial impact for the 10,000 Minnesota families that participate in these programs. Reinstating those fees would be a huge step backwards.

We have seen many proposals that seek to balance the state budget on the backs of people with disabilities. This is not the path forward for our state. We encourage you to strongly oppose any efforts to reinstate the TEFRA fees.

Thank you for your consideration and your leadership.

Sincerely,

Multicultural Autism Action Network

Fatima Molas
Delia Samuel
Rufo Jiru
Maren Christenson Hofer

April 16, 2026

Dear Chair and Committee Members,

On behalf of a coalition of 10 cities in the northwest metro, we would like to express our sincere appreciation for the inclusion of language stemming from SF4279 in the omnibus bill.

The provisions included in Article 2, Sections 5–8 and Article 4, Sections 11,12,14 and 20 are the result of extensive conversations, stakeholder engagement, and continued conversations and negotiations over many months. These discussions began during the interim, continued through the legislative session, and involved significant collaboration among cities, legislators, providers, and other interested parties. The language before you reflects a carefully negotiated agreement that emerged from those ongoing efforts.

We support the inclusion of these provisions and are hopeful that this agreed-upon language will begin to address the longstanding challenges facing our cities, including the overconcentration and de facto institutionalization of congregate care settings in the northwest metro.

Throughout this process, our cities made substantial concessions in the spirit of compromise and collaboration in order to reach a workable path forward. While no agreement is perfect, we believe the language included in the omnibus bill represents meaningful progress and an important step toward more balanced, inclusive communities.

We also respectfully note that lasting progress will require continued partnership and adequate resources. Ongoing investment and collaboration will be essential to ensure cities have the tools necessary to effectively respond to these challenges and support residents in integrated community settings.

Thank you for your leadership, your engagement on this issue, and your commitment to advancing thoughtful solutions.

Sincerely,

Jenny Max
City Administrator, Champlin

Jay Stroebel
City Manager, Brooklyn Park

Matt Stemwedel
City Manager, Coon Rapids

The Long-Term Care IMPERATIVE

A Minnesota Collaboration for Changes in Older Adult Services

April 17, 2026

To: Chair Hoffman & Members of the Senate Human Services Committee
RE: SF 4476, Senate human services omnibus budget bill

Dear Chair Hoffman and members of the Committee:

We appreciate the opportunity to provide feedback on the Senate DE to SF4476.

Areas of support:

- Thank you for rejecting the Governor's proposed budget cuts to senior care, including additional reductions to nursing homes' operating caps, reducing quality incentive programs, cutting employee health insurance, and eliminating the PCRA program. Without an approved State Plan Amendment, now is not the time to further cut nursing homes who continue to operate without 2026 rates.
- We thank you for your continued efforts to ensure continuity of care for Minnesotans.
- We continue to hear from small providers that they need a licensing program that recognizes their operations and unique facilities. We have had conversations with the Minnesota Department of Health on this issue and appreciate the effort to push for development of an alternative licensing category for small assisted living facilities.

Areas of significant concern and opposition:
To our profound disappointment, there are a number of provisions of the Senate DE that we must raise concerns about. According to line 623 of the budget sheet, the nursing facility staffing requirements add $26.8 million in state costs for new mandates that will raise costs for consumers and families, increase FTEs within state agencies, and restrict choices for where seniors will be able to access care. For just the nursing facility standards, independent cost estimates of these standards for Minnesota by LeadingAge and the American Health Care Association ranged **annually from $81.3 million to $90.7 million, respectively**. This is assuming that nursing facilities can find the staff needed. Even if they can, Medicaid (and equalized private pay) and Medicare rates will not cover these costs, especially so in light of the caps on Medicaid spending adopted by the Legislature last year.

- We are unable to estimate the costs of these standards for the 2,200 plus assisted living facilities that provide services to 50,000 plus individuals, but we can assume that if staff were available, the costs would be significant.

While we understand the motivations behind those proposals, we are obligated to identify and call out the fact that workers and providers are still without wages and rates enacted by the legislature last year. In

fact, we are now finding out that State Planned Amendment delays at DHS and CMS means that these hard-fought wins may not be effective until later this summer– nearly eight months after they were intended to go into effect. It is deeply unfair to workers and providers, who have made good faith investments in staff, that the Legislature contemplates spending new money in other places while they are still without.

- **Article 4, Sec. 2-6, 25 & 34. Staffing Mandates for Assisted Living Facilities & Nursing Homes.** This mandate is unworkable and jeopardizes access to care.
    - A Minnesota DHS letter dated November 3, 2023 provided this insight on a similar mandate proposed by the Biden Administration, which only applied to nursing homes: "**The proposed rule's remedies are overly general and prescriptive in a way that has the potential to harm various stakeholders, including residents and families, care providers, and state long-term care programs**. **The proposed remedies for providers that fail to comply with the minimum staffing rule, including denial of payment/admissions, may lead to increasing nursing facility closures**…**"**
    - This proposal extends staffing mandates into assisted living settings, which are designed to be more homelike environments, not institutionalized care. We cannot underscore this point enough: Current job vacancy data from DEED projects just under 4,000 vacant RN jobs across all clinical settings under current staffing recommendations. **There are simply not enough nurses to meet these standards.**
    - In addition to the $26.8 million fiscal cost to the state, and the $475,000 increase in fees that the fiscal note asserts MDH will need to raise, our estimates for nursing facilities assume a much higher state cost. For FY2028-2029, the staffing standards will add at least $55 million dollars annually to the state's Medicaid budget, which not only would exacerbate any future budget hole, but would also put nearly every nursing home above its recently instituted budget cap. It is also important to note that because these caps are applied year over year, a nursing home that has to drastically increase costs to hire the required number of nurses would then find itself over the cap in the subsequent year for having made those investments.
- **Article 4, Sec. 10, 13, 16, 29. Rent and Services Control:** Economists have found that a restrictive price ceiling reduces the supply of goods to the market especially in housing. As we think about how we will house, serve, and care for our seniors in the future, this proposal, as drafted, could have a significant chilling effect on creation of housing options for Minnesota's growing senior population.
- **Article 4, Sec. 26-31. Regulation & notice of purchase of nonprofit senior care settings**. The inclusion of enhanced regulations on the use of certain financial arrangements and transactions involving long-term care facilities is disappointing. While the intention may be to protect residents and ensure accountability, these provisions increase costs, create administrative complexity, and reduce providers' flexibility in managing facilities.
    - In the most serious scenarios, these restrictions could reduce access to care by discouraging investment in facilities or limiting the ability to maintain or improve existing buildings. As an example, if a nonprofit provider uses private ownership stake as collateral to secure financing for capital improvements such as replacing a roof, boiler, or other major infrastructure, as drafted, the proposal could subject the facility to extensive regulatory requirements.

- These requirements include; rent controls, limits on service charges, mandated direct-care spending ratios, and intrusive reporting obligations. These provisions could effectively eliminate viable financing options for nonprofit providers when capital is needed to maintain safe and functional facilities. This proposal creates a problem as cash-strapped operators look to access necessary capital but provides no solution.

Areas where we seek to refine and improve as it moves forward:

- **Article 4, sections 7, 19, 22-24: Provision of AEDs and CPR training in nursing homes and assisted living facilities**. We remain open to working out concerns in good faith with advocates of this legislation, we have not been able progress the discussion despite efforts to do so. At this time, we are opposed but hopeful that it can still be resolved.
- **Article 4, sections 15, 17, 18 & 21: medical emergency training for staff in assisted living facilities.** We are pleased that discussion with proponents of this legislation have progressed, with concept language that meets shared objectives with MDH for technical assistance. It is our sincere desire to present language for possible inclusion after we complete that due diligence step.
- We also hope that the committee will take consideration of necessary investments and technology integration for lead agencies to improve timely processing and approval of Medicaid applications. Providers and families are waiting an average of 100 days or longer and we cannot delay making these necessary upgrades and integrations.
- We are disappointed to see that the original provisions in the underlying bill, SF4476, were not incorporated into the DE. These budget neutral provisions would support red tape relief for assisted living providers and the residents in their care. We encourage the committee to add these sections back into the bill.
- As new level-of-care criteria are implemented for CADI/BI individuals, it will be important to consider the impacts to people—particularly the need for safe and appropriate care transitions—to reduce the risk of gaps in care and potential neglect.

We share this committee's goals to ensure continuity of care for people receiving services, to safeguard and efficiently use Medicaid dollars, and ensure that older adults can find care and a place to call home in our state. While we do not yet see these priorities fully reflected in the DE, we remain committed to working with the committee in fulfilling that vision as the bill moves forward.

Respectfully,

Erin Huppert
VP Advocacy, LeadingAge MN
LTC Imperative

Kyle Berndt
Sr. Director Advocacy, Care Providers MN
LTC Imperative

MINNESOTA
Brain Injury
Alliance

Engaging Communities. Improving Lives.

April 16, 2026

RE: Comments on SF 4476, the 2026 Senate Human Services Supplemental Budget Bill

Chair Hoffman and Members of the Minnesota Senate Human Services Committee,

We would like to express our deep gratitude to the Senate Human Services Committee members for all of the work and dedication that has been invested towards finding thoughtful solutions in human services throughout this legislative session. It has not been an easy year in the health and human services fields, especially for anyone connected personally or professionally to disability services. Thank-you for centering your conversations and priorities on those who will be most impacted by these decisions.

The Minnesota Brain Injury Alliance works to raise awareness and enhance the quality of life for all people affected by brain injury. We envision a world where every brain injury is prevented and where every injury is met with impassioned advocacy, extraordinary services, knowledgeable professionals, and quality choices. We value people-centered collaboration and access to quality services, while working towards a Minnesota where all individuals living with brain injury are encouraged to reach their full potential and recognize their importance to our communities. With over forty (40) years of experiences in brain injury advocacy, our organization is deeply invested in protecting and improving supportive services for ***all Minnesotans,*** as we know that concussions and other serious or chronic medical concerns can often happen quickly or go undiagnosed / misdiagnosed for any individual.

SF 4476 proposes important safeguards, communications processes, and program enhancements for individuals that heavily rely upon human services programs in our state. We are grateful for the inclusion of transparent communication expectations between various stakeholders – especially as seen through the *Continuity of Care* language – and appreciate the inclusion of purposeful notifications to be sent to the various ombudspersons' offices throughout our state.

Moreover, we appreciate the attention this committee has brought to discussions around Waiver Reimagine throughout this biennium, as well as ensuring quality measurements in all programs. Medicaid *Home & Community-Based Service (HCBS)* waiver services are some of the most impactful and critical services and supports that are received by those with brain injury, including many of the Citizen Advocates who have traveled with us to the Minnesota State Capitol to share their lived experiences over the past twenty (20) years. **Any long-term changes – even minor – to the *Brain Injury (BI)* and/or *Community Access for Disability Inclusion (CADI)* waivers will have deep, rippling, and life-changing impacts on many individuals.**

It is with this in mind that we ask the committee to take great consideration when assessing or adjusting any programming or implementation changes or plans surrounding: Waiver Reimagine, MnCHOICES, Waiver Case Management, and/or any other HCBS waiver supports, services, or funding. We are very appreciative of this committee's omission of multiple of the governor's proposals to remove almost half a billion dollars next biennium from funding in human services reform proposals and hope to see this

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position continue through any conference committee discussions. While the inclusion of the proposal to change BI/CADI Waiver Nursing Home Level of Care Eligibility is of important concern to us, we are glad to see language that includes a 90-day transition for individuals who may already be receiving these services but would find themselves no longer eligible after the proposed change. Additionally, we support the inclusion of language from SF 3898 that requires interpretive guidelines to be published, as we greatly support better transparency and plain language requirement notices for the public whenever there may be major proposed or administrative changes to any home and community-based services.

Lastly, as an organization that has provided contracted waiver case management for the past two decades, we would propose the bill language identify a specific number of participants total to be included in the Waiver Case Management Work Group. We greatly appreciate the specific designation and numbering of multiple seats each reserved for: individuals and families receiving services, county representatives, contracted case management agency representatives, and various disability advocacy organizations. We also believe it would be worthwhile for a subcommittee of this group to consider preparing a legislative and historical overview of how case management has been initiated, evolved, and most recently expanded in Minnesota. Reforming case management is not a new idea and bringing more knowledge and information to the workgroup will better inform any future potential recommendations.

The Minnesota Brain Injury Alliance greatly appreciates the committee's time and commitment to hearing from and working to safeguard those most vulnerable in our communities. We look forward to continuing the conversation and being of any support along the way.

Sincerely,

Jeff Nachbar
Public Policy Director

Maeve Olson
Public Policy Coordinator

On behalf of our organizations, we write to outline our thoughts on SF 4476 (Hoffman), the Senate omnibus human services bill. We thank Chair Hoffman and members of this committee for the ongoing dialogue on how we collaborate to build a cohesive system of care for our most vulnerable residents, while being transparent and responsible stewards of public dollars.

Continuity of care

Counties appreciate the recognition of the state-county partnership when individuals are affected by disruptions in our provider community, no matter what the cause. Unfortunately, when our residents are affected by provider disruption, it is incredibly difficult to find alternative placements.

Counties have concerns with paying for the state share of case management services within the newly created continuity of care team. While counties are fully committed to developing plans and seeking timely transitions to appropriate care settings, the reality is that despite our best efforts, the provider shortage is real. [Article 1, Section 4]

Long-Term Services and Supports

We appreciate the inclusion of several items that counties and others have been discussing as part of our work to find savings in our Long-Term Services and Supports (LTSS) area in advance of proposed significant cost shifts. We appreciate the work of Senators Hoffman and Abeler in finding ways to hold counties and providers less harmless from pending cost shifts – this work recognizes the deep needs in our communities, provider shortages, and need for reform throughout our system of care. This proposal represents over 50 percent of the anticipated cost shift and is incredibly meaningful to counties. [Article 2, Section 20]

Article 2, Sections 2-3, 15, and 25 would change eligibility criteria for nursing facility level of care for CADI and BI waivers to ensure that resources remain available for those that need them most, diverting individuals to other more suitable Medical Assistance services.

Article 2, Section 9 and 11 would repeal the LTSS loan program. As shared in previous hearings, these loans are not being utilized in meaningful ways, and we agree that these savings could be better used throughout our system.

We believe there are additional proposals floating with legislators that could garner the support of providers and counties, and we would encourage committee members to explore additional savings proposals that might be possible this session.

As discussions move forward, counties have collaborated with providers on policy language that could be included in your work that would give additional clarity that all savings proposals – either proposed through the LTSS Advisory Council or enacted by the Legislature – should be counted against the anticipated cost shifts. We respectfully ask for this language to be included here or in a policy bill.

Contracted case management

Counties use contracted waiver case management in a variety of ways – to fill staffing needs, provide more efficient service delivery and provide culturally appropriate services. This looks different in every one of Minnesota's 87 counties. Counties appreciate this proposal's focus on a study; however, we would respectfully ask that the study focus on examining current uses of contracted case management, evaluating our payment rates, exploring appropriate guardrails, and discussing the proper role of counties. Language in Lines 24.29-24.30 presupposes the end of contracted case management, which we feel is a premature conclusion. [Article 2, Sections 21 and 22]

MnCHOICES support

We appreciate the direction to the Department of Human Services to assist counties in conducting long-term care assessments using certified assessors. This could provide the crucial support that counties have been asking for to address current backlogs. We look forward to partnering with DHS to determine the appropriate conditions in which these assessors are deployed. Counties have been working with the DHS to address current backlogs and stand ready to participate in another work group to discuss ongoing challenges and the potential redesign of MnCHOICES. [Article 2, Section 14 and 24]

Waiver Reimagine

We share your concern that Waiver Reimagine is not on a path to timely implementation. We are eager to be at the table for the next step in redesigning a system that effectively meets the needs of our most vulnerable residents in a way that ensures continuity of care and is financially sustainable. [Article 2, Sections 16-19 and 26]

Human services system transformation

We thank the Governor and this committee for recognizing the need for transformation within our human services delivery system. Counties are committed partners in this conversation. We support comprehensive study of the roles and responsibilities of counties, tribes and the state, and we welcome a robust working group to examine our system. [Article 2, Section 23]

Nonemergency medical transportation

Counties urge this committee to consider postponing implementation of 2025 legislation that was slated to move to a uniform nonemergency medical transportation (NEMT) program for all Medical Assistance enrollees. DHS was directed to contract with a vendor to manage this statewide program. During the interim, DHS indicated that counties would retain responsibility for administering ancillary services (meals, lodging, and parking).

Counties believe that the legislative intent was to create a truly uniform NEMT program to reduce administrative complexity, ease navigation for residents, and strengthen oversight. DHS initiated the process of the RFP for this split vision, recently canceling the RFP and leaving counties in a position of not being able to legally support the program. As of right now, fee-for-service enrollees (without inclusion of ancillary services) are scheduled to move into the state system on July 1, 2026, and county-based purchasing plans (and managed care organizations) to follow by January 1, 2027.

Counties encourage the legislature to consider postponing implementation for FFS enrollees until July 1, 2027, giving the local agencies the legal authority to administer the program while allowing carve-out opportunities for county-based purchasing to adapt to specific community needs. We also would like to work with the legislature to clarify that ancillary services should also be included in the state's administrative system to truly ensure a uniform program.

County cost shifts

We specifically would like to thank Chair Hoffman for not including a proposal from the Governor to increase the county cost share to the Behavioral Health Fund (BHF). We appreciate the recognition that as the state assumes responsibility for BHF eligibility, counties no longer have a substantial role in eligibility or the provision of services and should not bear increased costs.

In the final weeks of session, you and your colleagues have great challenges before you. In addition to the priorities outlined here, we also want to underline the significant staffing and technology pressures on counties as we implement federal legislation (H.R. 1) and support program integrity. Conversations around many of these items are occurring in other legislative committees. We want to highlight the importance of investments in staffing and technology to support our work to ensure that our system puts the needs of Minnesota individuals and families first - while also being responsible stewards of taxpayers' dollars by delivering transparent and efficient services. Please consider us a resource as you assemble your final proposals.

Sincerely,



Paul Verrette	Julie Ring	Nathan Jesson	Commissioner Neil Peterson
Executive Director	Executive Director	Executive Director	Chair
MACSSA	AMC	MICA	MRC

Chair Hoffman and Members
Senate Human Services Committee
Minnesota Senate

Dear Chair Hoffman and Members,

On behalf of the Long-Term Care Consumer Advocates Coalition, we write to express our strong support for SF 4476, the Senate Human Services omnibus finance bill.

We appreciate the Committee's work to advance a comprehensive package that includes meaningful improvements to the safety, transparency, and accountability of Minnesota's long-term care system. We are especially grateful for the inclusion of key provisions from SF 2972 and SF 3844 included in article 4 of the Human Services Finance Omnibus Bill.

Staffing and Clinical Oversight: Article 4, Sections 2–6 25 and 34 (SF 2972)
Residents of nursing homes and assisted living facilities will greatly benefit from these stronger staffing and clinical oversight requirements. These provisions establish clearer minimum staffing expectations, require appropriate clinical supervision, and ensure that facilities maintain the competencies necessary to meet resident needs.

These changes help ensure residents receive timely and high-quality care, as well as establish important guardrails against cost-cutting practices that reduce direct care staff significantly and could threaten the health and safety of residents.

Ownership transparency and accountability: Article 4, Sections 26-31 (SF 2972)
Residents will also benefit from strengthened oversight of ownership changes. These provisions require advance notice and disclosure when facilities are acquired and establish clear standards to prevent harmful business practices. By increasing transparency and prohibiting practices such as asset stripping and reductions in care spending, we can help ensure that financial decisions made at the ownership level do not come at the expense of resident health and safety.

Emergency preparedness and life-saving measures: Article 4, Sections 7, 19, and 22-24 (SF 3844)
Residents of assisted living facilities and nursing homes will benefit from the requirement that facilities maintain automatic external defibrillators (AEDs) and ensure appropriate staff training. The presence of this equipment and trained staff can be the difference between life and death in an emergency. Residents should feel at least as safe in their homes as they do in other public settings where AEDs are readily available.

Transparency for residents and families: Article 4, Sections 10, 13 and 16 (SF 3844)
Prospective residents and their families will benefit from the provisions requiring facilities to provide survey results, complaint investigations, and enforcement actions. Receiving this

information prior to admission is a critical step toward transparency and will help families make more informed decisions about where to receive care.

Taken together, the above provisions included in Article 4 of SF 4476 reflect a clear commitment to prioritizing the health, safety, and dignity of residents over profit. Strengthening staffing standards, increasing oversight of ownership structures, and improving consumer transparency are practical, common-sense steps that will improve care and restore confidence in the system.

Residents across Minnesota will benefit from these changes. For these reasons, we respectfully urge the Committee to support SF 4476.

Thank you for your leadership on behalf of older adults and vulnerable Minnesotans.

Sincerely,
Long-Term Care Consumer Advocates Coalition

METRO CITIES
Association of Metropolitan Municipalities

April 16, 2026

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

Metro Cities appreciates the opportunity to comment on SF 4476 (Hoffman), as amended by the A-1 DE Amendment. Metro Cities supports several provisions in the bill, as amended.

Metro Cities supports the notification requirements contained in Article 2, Section 5 and Article 4, Section 12. These requirements will help cities become and remain aware of licensed services operating within their community and help local city staff proactively develop positive working relationships with operators before any potential concerns arise.

A significant amount of the state's residential programs and assisted living facilities with six or fewer residents are in the metropolitan area, with higher concentrations found in several of the region's suburbs. Cities have reasonable concerns about high concentrations of these facilities because of the potential impacts on city services and a desire to maintain balance between residential programs and other uses in residential neighborhoods. Metro Cities supports the establishment of appropriate non-concentration standards such as those found in Article 2, Section 7.

Metro Cities also supports Article 4, Section 11 which requires the department to consider the population, size, land use plan, availability of community services and the number and size of existing licensed assisted living facilities in the municipality where applicants are seeking to operate an assisted living facility.

Article 2, Section 6 and Article 4, Section 20 allows the relevant state agencies to delegate inspection authority to local units of government to ensure that licensed facilities meet physical plant licensing requirements and comply with local zoning ordinances. Metro Cities supports allowing local staff to conduct these inspections if they request the authority to do so.

These provisions will help cities better partner with state agencies, counties, and operators of residential programs and assisted living facilities with six or fewer residents. Please contact me if you have any questions.

Sincerely,

Mike Lund
Government Relations Specialist
Metro Cities

April 16, 2026

The Honorable John A. Hoffman
Chair, Human Services Committee
Minnesota Senate
2111 Minnesota Senate Bldg.
St. Paul, MN 55155

The Honorable Jordan Rasmusson
Ranking Minority Member, Human Services Committee
Minnesota Senate
2409 Minnesota Senate Bldg.
St. Paul, MN 55155

Legal Aid/Minnesota Disability Law Center Letter Regarding SF 4476

Dear Chair Hoffman, Ranking Minority Member Rasmusson, and Members of the Committee:

Legal Aid and the Minnesota Disability Law Center (MDLC) thank you for the opportunity to provide written testimony regarding SF 4476.

- Article 1 (lines 1.5-7.4): **We support the continuity of care section in its entirety**. As we saw this biennium, the abrupt cancellation of HSS and ICS payments created a crisis for disabled Minnesotans that made the national news. Through either an alarming lack of foresight or unpreparedness, DHS did little to nothing while one person died and approximately 400 others who needed supports to remain housed became homeless, returned to hospitals and congregate living situations, or had their living situations turned upside down. Creating a strong crisis team and responsibilities for DHS, counties, and providers in these situations will protect Minnesotans from these events in the future.

  We respectfully suggest that you consider what happens if and when the continuity of care team cannot identify alternative providers or services before services end. We suggest the addition of language that says, if all else fails, the state must step in and provide direct care to the person. One way this could be accomplished is for DHS to utilize direct care and treatment state-operated

services as part of the complex transition team planning. If all other measures do not result in a viable, working service plan for the person, state-operated services should provide a temporary, stop-gap measure to ensure a person is not left without services.

- Article 2, Section 2 (lines 9.26-9.28), Section 3 (lines 10.10-10.25), and Section 15 (lines 19.6-19.10): **MDLC strongly opposes eliminating criteria from the Nursing Facility Level of Care (NF LOC) used to determine eligibility for the CADI and BI waivers.** This change would cause people with disabilities to lose access to home and community-based waiver services and would result in real harm. Ironically, many of the same individuals who would lose waiver eligibility would still qualify for--and be forced into--more expensive institutional care in nursing facilities.

  Much of the discussion around this proposal reflects misunderstandings about how waiver eligibility works for people with disabilities. NF LOC is only one of several requirements an individual must meet to qualify for a CADI or BI waiver. To be eligible, a person must choose to live in the community rather than in an institution and meet all of the following criteria:

  1. Be eligible for Medical Assistance (MA) based on a disability or other qualifying eligibility status;
  2. Be certified as disabled by the Social Security Administration or the State Medical Review Team (SMRT);
  3. Be under age 65 at the time the waiver is opened for the first time;
  4. Be assessed through MnCHOICES as needing the level of care provided in a nursing facility; and
  5. Have an assessed need for services and supports beyond those available through the MA state plan.

  The BI waiver includes additional requirements related to diagnosis, impairment, and the individual's ability to benefit from rehabilitative services.

  First, we have heard claims that people without disabilities are enrolled on the CADI or BI waiver. That should not be possible. State and federal eligibility rules require that every waiver participant be certified as having a disability by Social Security or through the SMRT process. If a person does not have a disability, they are not eligible for any of Minnesota's disability waivers.

  Second, there is a misconception that individuals who would lose their waiver eligibility under this proposal can simply rely on MA state plan services to meet their needs. By definition, waiver participants are individuals whose needs cannot be fully met through state plan services alone. In addition to meeting the NF LOC requirement, every applicant must demonstrate an assessed need for services that go beyond what MA state plan services provide. If a person's needs could be met entirely through state plan services, they would not qualify for the CADI or BI waiver--regardless of how NF LOC is defined.

  Third, individuals who lose their CADI or BI waiver due to changes in NF LOC will face a serious risk of institutionalization and higher cost care. For people on MA, waiver enrollment is often the only way to access residential services in community settings such as their own home, a group home, or other supported residential options. While individuals are responsible for rent or housing costs, it is

the waiver that pays for the support and services provided in these settings. Given MA income and asset limits, people do not have sufficient resources to privately pay for residential services. Without access to a home and community-based waiver, the only MA-funded options that provide 24-hour care are nursing facilities, hospitals, or Intermediate Care Facilities for Individuals with Developmental Disabilities (ICF DD).

Finally, there is a misconception that people are enrolled in CADI or BI waivers solely because they are homeless or at risk of homelessness. Homelessness alone does not confer waiver eligibility. Every waiver participant must first be determined to have a qualifying disability by Social Security or the State Medical Review Team. Without that disability determination, a person cannot be eligible for CADI or BI, regardless of housing status.

For these reasons, MDLC urges the Legislature to reject changes in the NF LOC criteria and instead protect access to medically necessary, cost-effective services that allow people with disabilities to live and thrive in the community.

- Article 4, Section 14, lines 54.14-54.17: **MDLC strongly opposes allowing an assisted living facility to move 120 miles or two hours away outside of the seven-county metro.** Two hours or 120 miles is too disruptive to peoples' sense of community and their families. For families who visit their loved ones, this could add four hours of driving in one day. It is the equivalent of adding a round-trip drive from Glencoe to Brainerd. Think about doing that in the winter every time you want to see your child. This is too much of a burden, and it will cause isolation. We suggest a maximum of 30 miles.

Thank you for the opportunity to submit written testimony regarding SF 4476.

Sincerely,

/s/ Eren Sutherland

Eren Sutherland
Legal Director/Deputy Director
Minnesota Disability Law Center

Ellen Smart
Staff Attorney
Legal Services Advocacy Project

This document has been formatted for accessibility. Please call Ellen Smart at 612/746-3761 if you need this document in an alternative format.

MINNESOTA
RARE DISEASE ADVISORY COUNCIL

April 16, 2026

TO: Chair Hoffman

FROM: The Minnesota Rare Disease Advisory Council (RDAC)

RE: SF 4476 Omnibus HS Budget Bill

April 16, 2026

RE: SF 4476 – Human Services Omnibus Budget Bill

Chair Hoffman and Members of the Committee,

The Minnesota Rare Disease Advisory Council appreciates the opportunity to provide comment on a number of provisions in SF4476. As an advisory agency representing the 1 in 10 Minnesotans living with a rare disease, we recognize the constraints under which the committee must work. As Minnesotans with rare diseases, the majority of which are complex and impact children, contemplate the future of service delivery in the State, we appreciate the following provisions that provide some certainty. We also thank our partner agency, the Minnesota Council on Disability, for their leadership in this work and join them in expressing support for the following:

We support **Article 1, Sections 1 and 2** that ensures continuity of care protections such as:

- Establish a continuity of care team within DHS.
- Outline the team's responsibilities to identify impacted individuals, coordinate with lead agencies and case managers, and ensure timely notification to all affected parties.
- Define shared responsibilities between the continuity of care team and lead agencies to monitor services, develop person-centered contingency plans, and intervene directly when needed. It also establishes a process for recommending good cause exceptions
- Clarify provider responsibilities in supporting transitions while maintaining accountability for licensing requirements.
- Require advance coordination with the continuity of care team and prohibit payment withholds or suspensions until the team is prepared to intervene.

These provisions help the State strike a reasonable balance between addressing fraud while also ensuring that rooting out fraud does not come at the expense of the health, safety, and necessary services for of Minnesotans with rare diseases.

RDAC also supports other provisions within the bill including:

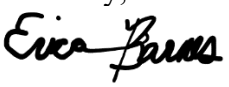
- **Article 2, Sections 12 and 24**)The creation of a state MnCHOICES Assessment team and a MnCHOICES redesign working group to address delays in assessments and standardization
- (**Article 2, Sections 21 and 22**) Establishment of a waiver case management quality work group and a rate study. While the Council supports waiver case management reform, we appreciate the approach of intentionally seeking recommendations from a broad group of stakeholders

MINNESOTA
RARE DISEASE ADVISORY COUNCIL

As the state continues to modify and restructure its human services programs we appreciate all efforts to keep the needs of the patient community at the center of all decisions.

Sincerely,

Sincerely,



Erica Barnes, M.A, CCC-SLP
Executive Director
Minnesota Rare Disease Advisory Council

North Metro Mayors

April 16, 2026

The Honorable Senator John Hoffman, Chair
Senate Human Services Committee
2111 Minnesota Senate Bldg.
St. Paul, MN 55155

Re: Support for Compromise Assisted Care Facility Language in Senate File 4476

Dear Chair Hoffman and Committee Members:

Representing cities with a combined population of more than 475,000 Minnesota residents, the North Metro Mayors Association (NMMA) is a collaboration of 15 north metro cities and community partners working together to encourage private and public investment in the north metro region.

NMMA member cities include Andover, Anoka, Brooklyn Center, Brooklyn Park, Champlin, Circle Pines, Coon Rapids, Dayton, Fridley, Maple Grove, Mounds View, New Brighton, New Hope, Ramsey, and Spring Lake Park.

On behalf of NMMA, we write to express support for the assisted living facilities language contained in Senate File 4476, specifically:

- Article 2, sections 5-8
- Article 4, sections 11, 12, 14, and 20.

The North Metro Mayors Association recognizes that these compromise provisions are the results of stakeholder discussions, appreciate their inclusion in Senate File 4476, and urge support from committee members.

Sincerely,

Mayor Ryan Sabas
City of Champlin
NMMA President

Mayor John Elder
City of New Hope
NMMA Vice-President

April 16. 2026

To: Senator Hoffman, Committee Chair

CC: Members of the Senate Human Services Finance and Policy Committee

Re: Senate Human Services Supplemental Finance Omnibus Bill

Dear Chair Hoffman and Members,

The Minnesota Consortium of Citizens with Disabilities is a statewide organization of self-advocates, providers, and disability advocacy organizations working to improve the lives of Minnesotans with Disabilities.

Tens of thousands of Minnesotans with disabilities rely on long term care Medical Assistance (MA) services to thrive in community. We are alarmed at both the federal uncertainty around Medicaid funding and the growing needs of services for members of our community.

We know there will be tough choices to make, but it's critical to express our concerns regarding several components of this bill, that if enacted, will have a detrimental effect on persons with disabilities.

Concerning Cuts to CADI and BI Waiver Eligibility

We have deep concerns regarding provisions in this bill that make changes to eligibility for the Community Access for Disability Inclusion (CADI) and Brain Injury (BI) waivers. These waivers are foundational to Minnesota's long-term services and supports system and are critical to ensuring that people with disabilities can live, work, and thrive in the community rather than in more restrictive institutional settings.

The proposed changes to eligibility will narrow access to these waivers at a time when demand for community-based services continues to grow and the system is already under significant strain. For many individuals, CADI and BI waiver services are not optional supports - they are the difference between living independently in the community and facing unnecessary institutionalization. Any reduction in access to these waivers undermines decades of progress toward community integration and conflicts with the principles of the Olmstead v. L.C. decision, which affirms the right of people with disabilities to receive services in the most integrated setting appropriate.

We are particularly concerned that tightening eligibility criteria will:

- kick hundreds of high need indivuals off of waiver services and increase their chances of becoming homeless; and
- ultimately shift costs elsewhere in the system, including into more expensive institutional care

While we recognize the fiscal challenges facing the state, reductions to waiver eligibility are not a cost-neutral solution - they simply move costs and consequences onto people with disabilities, their families, and other parts of the system. Moreover, these changes come at a time when Minnesota is still working to fully realize the goals of its Olmstead Plan and expand access to community-based services.

Waiver Reimagine

As you have heard in tersitmony and conversations, members of the disability community are gravely concerned about the imlications of full implementation of Waiver Remiagine on the current timeline. This bill addresses those concerns by repealing the program.

If full repeal is not ultimaley feasible this year, we ask that at the very least, much more time be given before Waiver Reimagine is rolled out. We strongly suggest additional reforms (like budget protections and transparent budget information and education) be incorporated so that if Waiver Reimagine ever is implemented, it looks much different than it's current form and does not punish those already in the system. We appreciate the opportunity for ongoing discussion with the department and all stakeholders on this issue.

Conclusion

We appreciate the work of this committee to find solutions to difficult problems in our Human Services systems. With the existing staffing and housing shortfalls, no reductions to waivers are without consequences for people and we urge that as this bill moves forward, it remove the CADI/BI eligibility provisions.

KiloMarie Granda | Danielle Indovino Cawley

Policy Co-Chairs - Minnesota Consortium for Citizens with Disabilities

Chair John Hoffman and Members of the Committee,
I am writing to urge you to ensure that the Omnibus Budget Bill SF4476 includes a **full repeal of Waiver Reimagine**.
A one-year delay is not a solution. The underlying HSRI budget model is fundamentally flawed and, more importantly, **illegal** because it bases individual budgets on *living setting* rather than *individual need*. This structure directly conflicts with federal disability law and longstanding civil

rights protections, as outlined in the April 12, 2026 legal analysis by Seamus O'Meara.

Federal law is clear: services must be delivered in the most integrated setting appropriate to the needs of the individual—not determined by where a person lives. A system that allocates smaller budgets to individuals living independently, while directing larger resources toward provider-controlled or institutional settings, is discriminatory by design. It creates a financial incentive to push people out of their homes and communities and into more restrictive environments.

Moving forward with Waiver Reimagine in its current form would:

- Violate the integration mandate under federal law

- Place thousands of Minnesotans at risk of unnecessary institutionalization
- Expose the state to significant legal challenges and costly litigation
- Ultimately increase long-term costs by incentivizing higher-cost, provider-controlled care over community-based solutions

Other states that have attempted similar HSRI-based redesigns have already faced serious implementation failures, budget instability, and legal action. Minnesota should not repeat those mistakes.

The current budget model is not fixable through delay or minor adjustments. It is structurally flawed beyond repair. Continuing to invest time and resources into this model will only deepen harm to

people with disabilities and increase financial risk for the state.
Minnesota has long been a leader in supporting people with disabilities to live, work, and thrive in their communities. Waiver Reimagine, as designed, moves us backward.
For these reasons, I respectfully urge you to take decisive action:
Repeal Waiver Reimagine in full now.
Thank you for your leadership and your commitment to protecting the rights, dignity, and independence of Minnesotans with disabilities.
Sincerely,
Penny and Gage Perryman

4/15/26

Chair Hoffman & Members of the Committee,

I am writing today to request a full **REPEAL of Waiver Reimagine.**

At the 4/13/26 committee hearing on SF4512, you heard testimony from guardians who have adult children on Medicaid waivers who would experience an 80% budget cut. The Waiver Reimagine budget model is fundamentally flawed and cannot be fixed. If implemented, it will cause undue harm to the exact people this program is intended to serve.

In addition, you also received written testimony from attorney Seamus O'Meara which outlined the illegality of Waiver Reimagine as designed. If implemented, there will be class action lawsuits. There have been in other states that have implemented this flawed waiver redesign.

Please, as you move through the Omnibus bill and conference committee process, repealing Waiver Reimagine is the right thing to do.

Thank you for your consideration.

Lisa Vala
Disability Voice Advocates – Leadership Team
Parent of 2 adults receiving waivered services
18008 38th Pl N
Plymouth, MN 55446

To Whom It May Concern,

My name is Amy Staples. I live near Kensington and have been a Family Residential Service (FRS) provider for six years. I became a licensed 245D holder in 2020. Previously, I taught Special Education in the public school system. I love my current job and am thankful to be able to use the skills I learned through teaching individuals with developmental disabilities, Autism, and other behavioral disorders.

My husband and I have one licensed bed in our home. That bed is occupied by a beautiful soul who needs structured routines to reduce anxiety and provide safety, medical oversight and coordination, behavioral supports and emotional regulation coaching, transportation, and consistency of care. If we have to close our doors we are concerned about the consequences. IF her mother would consider a Community Residential Service home the cost to the state would significantly increase, there would be a reduction of independence, and she would lose the right to the setting of her choice. She WANTS to live with a family. I am concerned that many homes like ours will be forced to close without HF 4288 and there will be many more people in the same position as our client.

We are required to give the person living with us exactly the same services as a Community Residential Service. My question is why wouldn't we, as a Family Residential Service, get paid the same? Why would we have a flat rate regardless of the needs of the person? What is going to happen to all of the people and families who trust and rely on a Family Residential Service home when they are forced to close? Where will our most vulnerable people go? Also, if billing is capped at 251 days, are we expected to work for free for fourteen days? The math just doesn't add up.

The Olmstead Rule, which was passed by the Supreme Court states that people with disabilities have a qualified right to receive state funded supports and services in the community rather than institutions. Family Residential homes are the least restrictive environment for many people and they should have the right to live in the type of setting they choose.

Please hear and vote to approve HF 4288 which moves Family Residential Services (FRS) back to the DWRS frameworks like all other groups that provide waiver services.

Thank you for your time!

Amy Staples
17357 County Road 107 SW
Kensington, MN 56343
320-760-8225

Chair Hoffman and Members of the Senate Human Services Committee:

My name is James Falk and I am a Family Residential Services (FRS) provider in Moorhead, Minnesota. I entered this work after more than 30 years in another career because I believed in the long-term stability of Minnesota's family-based residential model and the importance of small, person-centered homes.

One individual living in my home requires a one-person placement due to significant psychosocial needs. However, the MnCHOICES assessment primarily measures assistance with physical activities of daily living and does not fully capture the supervision required for behavioral stability. As a result, the assigned case-mix level does not reflect the actual level of support needed to safely maintain this placement.

Because of uncertainty surrounding the flat-rate structure over the past three years, I made the difficult decision to accept a second resident in order to keep my home financially viable. This home was originally planned as a long-term one-person placement, and adding another resident has already disrupted that stability. I am concerned we may not be able to return the individual to the level of progress and security he previously had even if funding is corrected.

FRS homes are also being compared directly to Community Residential Services (CRS) programs using cost-report data that does not measure the same expenses. In an FRS home, the provider delivers many hours of direct supervision each day that cannot be counted as staffing costs in cost reporting. Household operating costs related to providing care—including mortgage expenses, maintenance, utilities, and food—also cannot be reported the same way CRS programs report facility and staffing costs. This creates the appearance that FRS providers operate with higher margins than they actually do and contributes to fiscal comparisons that are not apples to apples.

If placements like this become financially unsustainable, individuals may require additional day programming so providers can seek outside employment, or they may be forced to move to CRS settings where staffing costs are built back into the rate. In either case, costs increase while stability decreases.

Please support SF 4310 so FRS funding reflects actual support needs and preserves stable community-based placements.

Thank you for your consideration.

James Falk
James L. Falk – FRS
3811 43rd Ave S
Moorhead, MN 56560
Falk220@gmail.com

I know you have received and read multiple letters regarding this topic, but I humbly ask that you take the time to read each point to get a overall point of view from a person who has operated multiple businesses and spent 16 years of my life serving vulnerable adults in my home. I am writing to formally urge you to stop the implementation of the proposed Tiered Rates for Family Residential Services, currently scheduled for June 1, 2026. My sister and I have provided 24/7 care in our home for 16 years, serving over 20 individuals, including those in hospice care. The proposed tiered structure threatens to dismantle the "Family Provider" model—a model that offers a level of intimacy, stability, and specialized care that corporate facilities cannot replicate.

As a professional accountant and business owner, I have identified several critical flaws in the state's justification for these cuts. To illustrate the severe impact of this proposal, consider the following data based on the case mix of one of our current residents:

- **Massive Rate Reductions:** Under the tiered rate introduction, this specific resident's case mix results in a **65% rate reduction** for our home.
- **Corporate vs. Family Disparity:** For this same individual, a corporate home—even without adding any of the state-mandated direct care staff—would be reimbursed at a rate **75% higher** than ours.
- **True Cost Comparison:** When you factor in the actual direct care staff required to meet this resident's needs, the corporate home rate would be **163% higher** than the family provider rate.

Furthermore, I am deeply concerned by recent testimony from Minnesota Department of Human Services (DHS) Budget Director Elyse Bailey, who suggested that Family Residential Providers are unaware of the "case mix" ratings of their residents. This statement is grossly untrue. Not only can we easily ascertain a resident's case mix by reviewing state-provided classifications, but we also maintain regular contact with case managers to ensure accuracy.

Ms. Bailey also fails to mention a critical historical context: prior to the implementation of the Disability Waiver Rate System (DWRS), FRS providers were often unable to care for individuals with high medical or behavioral needs because the base rates were insufficient. To bridge this gap, case managers were frequently forced to secure "custom rates" or supplement care with higher-cost Personal Care Assistance (PCA) services to ensure a safe placement. The transition to DWRS removed the need for these fragmented, high-cost administrative "workarounds" by paying FRS providers more equitably for the actual level of care provided. Reverting to a tiered structure essentially forces the state back into an era of inefficient, higher-cost supplemental billing.

The Systematic Blockade of Proven Experience

Perhaps most baffling is the state's move to phase out FRS providers who have demonstrated decades of competence. We are not "amateurs"; many of us have operated successfully for 10, 15, or 20 years, proving our ability to manage complex medical needs and state compliance. Yet, when we seek to "level the playing field" by transitioning to a corporate license—or even attempting to purchase existing corporate homes from owners retiring or exiting the industry—we are met with a bureaucratic blockade. Certain counties act as "gatekeepers," flatly refusing to allow FRS providers to transfer licenses or purchase corporate counterparts. This policy effectively traps experienced providers in an underfunded

tier. Why would the state choose to lose a decade of proven expertise and stable placements rather than allowing successful providers to expand their career path into corporate ownership?

Other critical flaws include:

- **Flawed DWRS Reporting:** The current DWRS framework is built for corporate models. It ignores the massive overhead of maintaining a larger family home to accommodate residents and their medical equipment alongside family members (expensive mortgage, higher utilities, specialized meals, more furnishings, accelerated wear and tear on appliances and fixtures, safety requirements, and amenities, Repairs and replacements are being made to flooring, doors, appliances, and interior wall surfaces necessitated by heavy daily use.. Room and Board rates do not fully cover even on a percentage cost basis.
- **Administrative Inequity:** Family providers act as CEO, HR, and medical coordinator simultaneously. We do not have the "in-house" accounting staff corporate homes use to navigate complex state reporting.
- **The Burden of Mandated Policy:** Since the early 2000s, DHS has implemented multiple layers of rigorous mandates. We adapted to every one—investing in technology, training, and safety. While these policies increased costs, the implementation of a more equitable payment system finally created a viable "mantle of care" for the younger generation. By slashing these rates now, you are effectively telling the next generation of caregivers that their professional growth is capped. We should be encouraged to grow from family-run models into corporate entities as our experience matures. Instead, the state is pulling the rug out from under those who have already 'picked up the mantle,' forcing a choice between financial insolvency or closing our doors entirely."
- **Unjust Pay Disparity:** Under existing rates, family providers are already reimbursed 20–30% less than corporate counterparts for the exact same care. Furthermore, our "asleep time" is valued at 50% less, despite the fact that a middle-of-the-night emergency requires the same level of response regardless of the provider's tax status.

In 2013, following the Jensen settlement, we were told the state must move away from different rates for the same services. This new tiered system is a regression toward that exact injustice. If the state continues to favor the corporate model while slashing family rates, the ultimate losers will be the vulnerable residents who lose their homes and their choice of care.

The clear end result of these changes will ultimately be an increase to the cost of care as Family Providers close their doors and residents move into the more expensive model of care in Corporate Homes. Please act swiftly.

Sincerely,

Laurie Vlach, Licensed Provider

507-280-4207

My name is Jennifer Vail-Storrs, and I live in Grand Rapids, Minnesota, in Itasca County.

I am writing to urge your support for SF 4310, which would restore framework rates for Family Residential Services (FRS) under the Disability Waiver Rate System.

Thirteen years ago, my family faced a sudden and devastating loss when my mother passed away. The plan had always been for me to bring my brother into my home, just as my mother had done. In the midst of that difficult time, however, an opening became available in a group home. I chose to see whether my brother could adapt to this new environment—a decision that ultimately changed all of our lives for the better.

My brother has now lived in this home for 13 years. It is not simply a facility; it is his home. The individuals he lives with have become his family. When he celebrated his 50th birthday last year, they were among those we invited, because they are an essential and meaningful part of his life.

This arrangement has allowed my own immediate family to remain stable as well. At the time of my mother's passing, my son was only seven years old. Had I brought my brother into our home, the course of our lives would have been very different. Instead, my brother has received consistent, professional, and compassionate care in a family-style setting that meets his needs, while I have been able to support him as a sister, guardian, and advocate.

It is critically important that vulnerable adults have access to high-quality, stable care. Individuals with disabilities often rely on routine and familiar environments, and significant disruptions can be extremely difficult—if not harmful—for them to manage. Removing people from homes where they feel safe, supported, and connected is not just disruptive; it can be deeply destabilizing.

The prospect of the state discontinuing these homes is deeply concerning. We should be protecting our most vulnerable citizens by maintaining the stable, high-quality environments they have known for years. Forcing individuals out of successful family residential settings into less suitable alternatives is not a solution—it is a crisis in the making.

I respectfully ask you to support SF 4310 to ensure individuals can remain in the homes they love, surrounded by the people who have become their family.

Sincerely,
Jennifer Vail-Storrs

Regarding Department of Human Services presentation for the Govender's budget proposal.

Please reject the proposal to:

1. Limit billing for residential services to 351 days to align with rate absence factor.
2. Reverse the 25% increase in rate to the flat rate tiered model for FRS homes that was implemented in 2025

My name is Karly Manion. Before becoming a Family Residential Services Adult Foster Care Provider, I supervised a 6 bed Community Residential Setting home (Corporate). I have been providing Family Residential services, Adult Foster Care, in my Woodbury home for 18 years and support 2 adults with disabilities. They moved into my home together 7 years ago when their Family Adult Foster Care home was closing. They had been living together, as roommates, for decades. Moving together provided the support they both needed to survive the move and now thrive living in my home. I am the primary caregiver.

I am not familiar with the rate absence factor for residential services. The parents, auts, and uncles of the two individual I support are deceased, and their siblings either live out of town or are occupied with their own families and responsibilities. I provide services in my ome 24 hours a day, 7 days a week, 365 days a year.

When a client is absent from the home for a full 24-hour period—for reasons such as visiting family (which is rare), vacation, or hospitalization—I do not bill for services. If a billing limit of 351 days is implemented, it would require me to work 14 days without compensation. It is difficult to imagine anyone willing to accept a position that requires working two weeks without pay.

The 2020 MN Department of Human Services Legislative report on the Disability Wavier Rate System (DWRS) Family Foster Care Rate Methodology Study conducted by the Disability Services Division of the Department of Human Services stated that *"Family Foster Care rate framework uses many of the same rate component values as corporate setting, even though these settings likely have different costs."* Elyse Bailey used this same argument to justify the tiered rate system for FRS Adult Foster Care placements. I strongly disagree as we share many of the same costs. **Family Residential Settings(FRS)-Adult Foster Care (AFC) providers operate like Corporate Residential Settings(CRS) and incur substantial annual business related expenses:**

- FRS-AFC providers carry the same compliance, staffing, licensing costs for both 245D (either through subcontracting or direct licensure) and 245A ($2100), and operational costs as CRS provider.
- FRS-AFC providers are dually licensed and have the same 245Dand 245A licensing requirements, supports plan obligations and medical and behavioral oversight as CRS
- Awake overnight staff (as needed), daytime staff, transportation, job coaching and medical coordination are all uncompensated under the flat rate but legally required.
- FRS is not "family help", it is a licensed provider business operation with administrative, accounting, payroll, retirement, insurance, training and overhead costs

If a provider does not hold their own 245D license they need to subcontract with another provider who does. The 245D subcontracting service cost to providers range from 10%-40% of the individuals calculated daily rate. Now there is a moratorium on 245D licenses. Those providers, like myself, cannot apply for a 245D license to try an offset the decrease in revenue from the cuts moving FRS from the DWRS model to the flat rate tiered model.

It was brought up in front of the committee that **FRS providers live in the same home as the people with disabilities we suppor**t. That is true. Unlike corporate residential settings (CRS) where staffing is shift based. Both of the people with disabilities I support require 24-hour supervision with some alone time. **I am the primary care giver**. *I am the asleep overnight staff, the 24/7 on call staff, the morning staff, the evening staff and the weekend staff*. If I want time off work, I need to hire someone to replace me and leave my home.

How do providers know how the new flat rate tiered system will affect current rates? Each year a MNChoices Assessment is completed for each person with disabilities. Embedded within that assessment is a case mix letter. If the person's needs haven't changed, providers can use last year's case mix letter to calculate the new daily rate under the flat rate tiered model. The new tiered flat daily rate does not allow exceptions in rates for people with complex needs nor account for the differences between individuals who attend day programs and those who remain home all day. *Under this new tiered rate model, funding would be reduced by 10% for one person and 25.5% for the other person*, a total **35.5% decrease.** These are significant cuts that severely underfunds the Family Residential Services I provide.

Case Mix	Support Tier	FRS Rate (per day)	Life Sharing Rate (per day)
A	1	$194.83	$214.31
D	2	$234.94	$258.43
B, C, E, F	3	$254.06	$279.47
G	4	$306.07	$336.68
I	5	$306.07	$336.68
H, J, K	6	$383.33	$421.66

These rates are 25.84% higher than the initial proposal due to the 2025 legislature increase in funding. Even with this increase, FRS are underfunded.

I have considered:

- Closing my doors, which would force the individuals I support out of the least-restrictive, home-based settings and separate them.

- Reducing opportunities for community engagement and inclusion
- Reducing the number of support staff hours which puts added stress on me
- Changing/Adding services I provide and how they are provided
- Seeking additional employment on top of providing AFC services

All these options that I have explored would cause destabilization to how the house is currently run and the care provided. The adults I support thrive on consistency. When they don't know what to expect it causes anxiety and increased negative behaviors. This includes: self-injurious behaviors, hitting, punching, throwing chairs, failure to show up to work, overeating, increased illness and thereby increasing medical appointments.

Family Residential Services (Adult Foster Care) are not institutions — they are homes. My home is a small, community-based setting that allows the adults with disabilities I support to live with dignity, choice, and belonging.

Please reject the proposal to:

1. Limit billing for residential services to 351 days to align with rate absence factor.
2. Reverse the 25% increase in rate to the flat rate tiered model for FRS homes that was implemented in 2025

Thank you for advocating for small family run businesses and the people with disabilities I support.

In closing, I would like to leave you with one question. If I am forced to close my doors, where will our clients go and at what cost?

Karly Manion
Family Adult Foster Care Provider
11460 Dale Road
Woodbury, MN 55129
Karly.manion@gmail.com
651-444-9131

Chairman Hoffman and Members of the Senate Human Services Committee, thank you for allowing me to testify.

My name is Brian Beert. I am a Family Residential Services provider in Saint Peter, Minnesota. I operate a one-person home because some individuals need a smaller, stable environment to remain safe and successful.

One individual living in my home required exception-level medical support near the end of his life. Under the flat-rate structure, funding for that placement would have been reduced by approximately 65 percent, which would not support the staffing needed to safely maintain a one-person placement.

During that same period, DHS indicated retroactive takebacks could occur before CMS approval. That meant I could have been required to repay wages that had already been paid to staff. As a small provider, there is no way to recover those wages once paid. I had to temporarily lay off staff even while the individual's needs were increasing. I later brought that staff member back when the resident's condition worsened so the person could receive the level of care needed at the end of their life.

I want to ask an important question: if homes like mine close, where will these residents go?

Corporate settings are already experiencing serious staffing shortages. Many are relying on remote coverage hours because they cannot fill shifts. Moving individuals from stable family homes into settings that already lack consistent staff will not improve safety or stability.

Family providers are also compared to corporate programs using cost reports that do not measure the same expenses. Many hours of direct supervision provided by the family provider are not allowed to be counted as staffing costs, and household expenses like maintenance, utilities, and food are not included. On paper this makes it look like family providers are making large profits, when in reality those hours and costs are simply not being counted. Decisions based on those comparisons create funding levels that do not match the supervision people require, which increases the risk of unsafe placements.

Please support SF 4310 so individuals with higher needs can continue living in stable community homes like mine.

Thank you.

Chair and members, thank you for your time.

As part of my graduate training in public health, we are taught to evaluate systems based on outcomes, alignment, and long-term impact — not just short-term cost assumptions.

One of the core principles is the role of the social determinants of health. Stability — in housing, caregiving, and daily structure — is one of the strongest predictors of health outcomes. That is exactly what Family Residential Services provide.

From a public health lens, this is tertiary prevention. These are not optional supports. These are the services that prevent hospitalization, crisis system involvement, and higher-cost placements. When these supports weaken, outcomes don't improve — costs shift, and they increase.

I want to address a few points that were presented in the last committee.

First, comparing current rate structures to 2013 does not reflect the reality of the system today. Since then, 245D licensing has significantly expanded the requirements placed on providers — documentation, compliance, training, and oversight. The work has changed. The costs have changed. The comparison has not.

There also appears to be a misunderstanding of how these rates are structured.

The DWRS framework was not designed to compensate only for provider time. It was built to account for the full cost of delivering services — including housing, transportation, staffing structure, and regulatory requirements.

When rates are presented as if they reflect only labor, it misrepresents the model itself. And when the model is misunderstood, the policy decisions built on it become misaligned.

Second, it was stated that providers cannot know their rates in advance. However, providers are using the same MnCHOICES data that drives these calculations. These projected reductions — often 50 to 65 percent — are not speculative. They are based on the system itself.

And finally, there seems to be a misunderstanding of what Family Residential Services actually are. Despite the name, this is not informal family care. This is a licensed, regulated service model that mirrors Community Residential Services in function, responsibility, and expectation — just with a different staffing structure.

So the question becomes — are we evaluating this system based on how it is labeled, or how it actually functions?

Because if the expectations are equivalent, but the structure is reimbursed differently, then we are not aligned — and misalignment in public health systems leads to system failure.

I would encourage this body to look closely at that alignment — between requirements, cost, and reimbursement — before moving forward.

Thank you.

Dear Chairman Hoffman and Committee Members

Regarding Omnibus Budget Bill SF4476

I am writing to you today to ask for a full repeal of Waiver Reimagine. The 1 year delay instead of a full repeal is essential because the HSRI budget model is illegal. It bases individual budgets on living models and not needs. Furthermore, it limits choice.
The design is a violation of federal law. The letter from Seamus O'Meara already sent to your committee on 4/12 spells this out in detail. The plan as it stands Incentivizes institutional care over community living, needs of families, and choice of people with disabilities. I am both a parent and also a 36 year veteran of the human services world - having begun my work in institutional environments. Community living might have challenges, but it provides opportunities and limits segregation - which no matter the quality of the caregiver - happens when people are removed from their communities. As a parent, I want my now young adult child to have choice in how he uses his waiver - and at present it is in living with his family - not giving those dollars - which would be more - to an institutional space.

I am well aware of the challenges your work faces - and I hope you consider this important information.

I plan to be in attendance of the hearings coming up. Let's make good choices for what will benefit disabled Minnesotans.

Regards,

Craig Spofford (MDiv)
Father
Advocate
Concerned Citizen

To: Senator Hoffman and the members of the Senate Human Services Committee:
From: Lee Shervheim
Subject: SF4476 – Waiver Reimagine
Date: 15 April 2026

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

I will begin with the end in mind: We have few opportunities to stop harm - please take this opportunity and stop WAIVER REIMAGINED - before this costly mistake does incalculable damage and irreparable harm. Include a FULL STOP to Waiver Reimagined in SF4476. I will say it again: Insure Omnibus budget bill SF4476 include a FULL REPEAL OF WAIVER REIMAGINE.

As this legislative session begins winds down - I am writing as a citizen of this state who cares deeply about the decisions that are made in St. Paul and how they affect my family and those I care about. I am a parent of my three young adult daughters with developmental disabilities - specially Down Syndrome.

I have followed the Waiver Reimagined carefully over the years. I am writing today to I respectfully ask that SF4476 include: A full repeal of Waiver Reimagine in its current form.

As has been noted in previous testimony - it is (likely) illegal, but it certainly illogical and immoral.

What began with the hope and promise of simplicity and help has turned into a nightmare - restriction of choice, categorization of people based on living situation and overall a step backward in time to less community involvement, less choices and more. We have only one chance to course correct before a disaster of epic proportions is brought upon us... Too dramatic - I don't think so.

These are critical decisions that are being made about people that need further study - even though this has been studied, worked on, analyzed for years - there are still so many unknowns and some unnecessary (and nonsensical) mandates. I implore you to take the time to do it right!

Facts that I have been able to ascertain:

1.) Four waivers have been combined into two; and the remaining two are not medically (needs of individual) based - but are based on ‘where resident lives’ - either with family (Individual Support Waiver) or in a residential (Residential Support Waiver) setting (aka group home). The current proposal for reimbursement for the residential support waivers are substantially higher than Individual / Home support - The impact will be drive individuals into institutional / group home settings versus receiving care at home. This restricts choice.
2.) Support ranges were determined by HSRI - at a cost to taxpayers in excess $1.2M. To date (less than 1 year ‘til implementation) all that is floating around DHS currently is a table from 2021 - which shows pathetically small ranges; with a ‘promise’ they will be updated. How much, when, no one knows. The impact is no one actually knows what next year will look like -

metaphorically, we are flying in the clouds with no direction. This demonstrates we are not ready for implementation - when no one can articulate what a waiver will look like.
3.) Rather than budgets being based on assessed needs - they will have to fit into one of these ranges; in most cases - it appears like there will be significantly less funding available for daily care activities, community engagement, transportation, job coaching, day services - especially for those who live at home. The waiver currently funds these essential supports for my adult children. Impact - we will have to have fewer services; less community choices, more isolation and reduced opportunity to be present in our communities. This restricts choices and limits options for community involvement and to thrive in the least restrictive setting possible.
4.) Waivers require FMS (Financial Management Services) - these costs keep increasing and are significant - impact: further reducing remaining funds for services. If budgets drop, a greater percentage goes to the FMS - rather than to service providers. This speaks to the reality of ongoing challenges with (even) current budgets.

Why this matters?
As a parent of three young adults with Down Syndrome - waiver services are my daughters lifelines to: community involvement, assistance with daily living tasks, access to job training/coaching, day support services and transportation. Any changes in their approach to funding will have an IMMEDIATE and DIRECT impact on the quality of their life. Can all of you answer confidently that what is proposed today (and will be implemented) - will make their lives better? If not, then you are CAUSING unnecessary harm. Stop this, and take the time to figure it out.

What to do?
The decision making process has been largely hidden from public view. DHS leadership has made significant decisions which impact my life and my family life - and may be counter to the Olmstead decision, the Jensen decision and a return us to a place where institutionalization is the state sanctioned way to treat individuals with disabilities. That reach without understanding consequences is not acceptable. For seven years this has been pitched as a ‘good thing’ - more choice, more flexibility - but it is anything but. People will suffer, we will go backwards and my children will be impacted. I expect no harm to them. I am not able to influence this - other than through you. If I had my way, this process would be stopped; if it is not, we will all stand by and watch a train wreck of massive proportion impact our families, friends and neighbors. It is that simple.

Bottom line:
We have few opportunities to stop harm - please take this opportunity and stop WAIVER REIMAGINED - before it does incalculable damage and irreparable harm.

Respectfully,

Lee Shervheim
6435 Stella Circle
Lino Lakes, MN 55038

Ps Brief background - I have three daughters with Down Syndrome. Ann was born in 2004 and

two were adopted from Ukraine in 2008. They are currently: Katie - 22, Emie - 22, and Ann 21. Katie and Emie attend a day program (MSS St Paul). Ann is finishing her final year at WBL in the transition education. My wife and I have lived in Lino Lakes for the past 17 years; I am a retired engineering director at Medtronic, she volunteered and cared for our kids. In addition to caring for our three daughters, I serve as Chair of the Governors Council on Developmental Disabilities, serve on the board of MSS and Ann and I together serve on the board of Down Syndrome Association of MN (DSAM).

Dear Chair Hoffman and Committee members,

I'm a parent of two children with disabilities who both rely on waiver services to live safely and with dignity at home. I'm writing to ask you to oppose reinstating parental fees for MA-TEFRA.

My family is enrolled in MA-TEFRA because we have to be. It's the only way to access waiver services. We already have private insurance. This isn't about extra coverage or added benefit. It's a hoop we jump through to get our kids the supports they need. Charging fees for that enrollment is, plain and simple, a tax on having a child with a disability. The fact that a household earns above 675% of the federal poverty level does not mean we have 4.5 to 5.99% of our income available. Families like mine are already absorbing enormous costs that don't show up in any income calculation. We are stretched thin, and with the cost of everything rising, this proposal feels completely out of touch with what families are actually living right now. Let us use our money to help our kids, not fund the state off us.

I want to be clear: my first ask is that these fees do not come back at all. But if the committee moves forward regardless, then at minimum please consider what counts as income. Some household income for families like mine includes waiver funds and difficulty of care payments already paid by the state. If fees are calculated on gross household income, the state could end up charging families based partly on money it already paid them. That's not a fee. That's the state taxing its own program.

And if fees must return, please structure them the way a progressive tax works: apply the percentage only to income above the FPL threshold, not to total household income. The way it looks now, a family just over the line owes fees on their entire income. That's not a fee scale... it's a cliff.

Some of you worked hard to eliminate these fees a few years ago and it made a real difference for families with disabled children. I'm asking you to hold that line. Please don't make an already hard situation harder.

Respectfully,

Shannon Smith Savage, Minnesota

Dear Chair and Members of the Senate Human Services Committee,

My name is Heather Angell, RN, and I am a Family Residential Services (FRS) provider in Minnesota.

I am writing regarding the SF 4476 omnibus bill and the upcoming budget markup. As you finalize this bill, I urge you to maintain the DWRS framework rate methodology for Family Residential Services.

This is not a future concern—it is happening now. We are already making decisions about whether we can accept or retain residents based on the proposed rates.

The flat rate model does not reflect the actual level of care required. Individuals in our home require 24/7 supervision, staffing, and consistent caregivers, and when funding does not match those needs, care cannot be sustained.

One of our residents will see a 41% reduction in funding—from $431/day to $254/day—forcing her from a stable home into a locked memory care unit where she will lose her freedom and require higher-cost, higher-risk care.

Another resident, a young adult with significant mental health needs, was hospitalized for two months requiring daily restraints and medications but is stable in our home; all facilities have refused placement, and reduced rates do not cover required staffing, eliminating her only viable option.

We have also been asked to take a 16-year-old with significant developmental needs who would otherwise be placed in an out-of-state institution; we are currently holding that placement because we cannot safely accept her under the flat rate model.

When individuals can no longer be supported in homes like ours, they are not left without care—they are moved into higher-cost systems, including nursing homes, hospitals, crisis facilities, and institutional placements.

This is not a cost savings—it is a cost shift.

Maintaining the DWRS framework ensures that funding reflects actual care needs, allows providers to continue operating, and prevents unnecessary institutionalization.

As you move forward with the omnibus bill, I respectfully ask that you preserve the DWRS framework for Family Residential Services.

Thank you for your time and consideration.

Sincerely,
Heather Angell, RN

Please reject the proposal to:

1. Limit billing for residential services to 351 days to align with rate absence factor.

2. Reverse the 25% increase in rate to the flat rate tiered model for FRS homes that was implemented in 2025

My name is Daniel Myhra and I have recently become a Family Residential Services Adult Foster Care Provider. My parents Dan and Francene Myhra had my current residents for nearly a decade and were struggling to keep up with them, so I made the decision to take them on to keep in together and with our family as they have become part of it. With this I needed to move my family of 6 to an accommodating neighboring county and buy a bigger home to accommodate 2 more individuals. Knowing what to expect financially for the home and operating costs was a huge part of our decision making process of what we could afford to purchase a home to accommodate our existing and now expanded family. The proposal will put financial strain on our family in a very short manner. We uprooted our family and made major life changes to help our boys to stay with our family and not have to go into the group home system.

The 2020 MN Department of Human Services Legislative report on the Disability Wavier Rate System (DWRS) Family Foster Care Rate Methodology Study conducted by the Disability Services Division of the Department of Human Services stated that "Family Foster Care rate framework uses many of the same rate component values as corporate setting, even though these settings likely have different costs." Elyse Bailey used this same argument to justify the tiered rate system for FRS Adult Foster Care placements. I strongly disagree as we share many of the same costs. Family Residential Settings(FRS)-Adult Foster Care (AFC) providers operate like Corporate Residential Settings(CRS) and incur substantial annual business related expenses:

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• FRS is not "family help", it is a licensed provider business operation with administrative, accounting, payroll, retirement, insurance, training and overhead costs

If a provider does not hold their own 245D license they need to subcontract with another provider who does. The 245D subcontracting service cost to providers range from 10%-40% of the individuals calculated daily rate. Now there is a moratorium on 245D licenses. Those providers, like myself, cannot apply for a 245D license to try an offset the decrease in revenue from the cuts moving FRS from the DWRS model to the flat rate tiered model.

It was brought up in front of the committee that FRS providers live in the same home as the people with disabilities we support. That is true. Unlike corporate residential settings (CRS) where staffing is shift based. Both of the people with disabilities I support require 24-hour supervision with some alone time. I am the primary care giver. I am the asleep overnight staff, the 24/7 on call staff, the morning staff, the evening staff and the weekend staff. If I want time off work, I need to hire someone to replace me and leave my home.

How do providers know how the new flat rate tiered system will affect current rates? Each year a MNChoices Assessment is completed for each person with disabilities. Embedded within that assessment is a case mix letter. If the person's needs haven't changed, providers can use last year's case mix letter to calculate the new daily rate under the flat rate tiered model. The new tiered flat daily rate does not allow exceptions in rates for people with complex needs nor account for the differences between individuals who attend day programs and those who remain home all day. Under this new tiered rate model, funding would be reduced by 10% for one person and 25.5% for the other person, a total 35.5% decrease. These are significant cuts that severely underfunds the Family Residential Services I provide.

I have considered:

• Closing my doors, which would force the individuals I support out of the least-restrictive, home-based settings and separate them.

• Reducing opportunities for community engagement and inclusion

• Reducing the number of support staff hours which puts added stress on me

• Changing/Adding services I provide and how they are provided

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All these options that I have explored would cause destabilization to how the house is currently run and the care provided. The adults I support thrive on consistency. When they don't know what to expect it causes anxiety and increased negative behaviors. This

includes: self-injurious behaviors, hitting, punching, throwing chairs, failure to show up to work, overeating, increased illness and thereby increasing medical appointments.

Family Residential Services (Adult Foster Care) are not institutions — they are homes. My home is a small, community-based setting that allows the adults with disabilities I support to live with dignity, choice, and belonging.

Please reject the proposal to:

1. Limit billing for residential services to 351 days to align with rate absence factor.

2. Reverse the 25% increase in rate to the flat rate tiered model for FRS homes that was implemented in 2025 Thank you for advocating for small family run businesses and the people with disabilities I support.

In closing, I urge you to listen to the testimonials of all of us that this directly affects to understand the strain you will put on us all to provide the quality of life our residents deserve.

Thanks again

Daniel Myhra

691 Heinel Circle

Roseville MN 55113

Daniel.o.myhra@gmail.com

(651)248-8273

Please reject the proposal to:

1. Limit billing for residential services to 351 days to align with rate absence factor.

2. Reverse the 25% increase in rate to the flat rate tiered model for FRS homes that was implemented in 2025

Our name is Daniel and Francene Myhra.. We have been doing foster care for close to 20 years. We love our boys as our own. They are a part of our family and are extremely close th their families. As of recently we are stating to retire and only now have one man that lives with us and will continue to live with us until we cant care for him anymore. Before foster care with him I did in home support and after several bad experiences in group homes his parents asked we would consider having him join our foster family. We have known him since he was 17 now he is 46. Our other two boys have moved in with our son and his wife which made the families very happy because the where already family. With the new tier cuts and the possible cuts by Governor Walz it is going to be much harder to do a 24 7 job and still get the time that we need in our personal lives to hire help when we need one and one time together as we age. We are both 70 years old. We have taken him on several trips to Alaska and gave him a life that he deserves. I am asking you to take in consideration the people that have already been given a tough blow in life with being born with a disability an let us provide the happiness with the family support the need. They are cutting our pay 40 per cent. Its going to affect us and our resident tremendously.

The 2020 MN Department of Human Services Legislative report on the Disability Wavier Rate System (DWRS) Family Foster Care Rate Methodology Study conducted by the Disability Services Division of the Department of Human Services stated that "Family Foster Care rate framework uses many of the same rate component values as corporate setting, even though these settings likely have different costs." Elyse Bailey used this same argument to justify the tiered rate system for FRS Adult Foster Care placements. I strongly disagree as we share many of the same costs. Family Residential Settings(FRS)-Adult Foster Care (AFC) providers operate like Corporate Residential Settings(CRS) and incur substantial annual business related expenses:

• FRS-AFC providers carry the same compliance, staffing, licensing costs for both 245D (either through subcontracting or direct licensure) and 245A ($2100), and operational costs as CRS provider.

• FRS-AFC providers are dually licensed and have the same 245Dand 245A licensing requirements, supports plan obligations and medical and behavioral oversight as CRS

• Awake overnight staff (as needed), daytime staff, transportation, job coaching and medical coordination are all uncompensated under the flat rate but legally required.

• FRS is not "family help", it is a licensed provider business operation with administrative, accounting, payroll, retirement, insurance, training and overhead costs

If a provider does not hold their own 245D license they need to subcontract with another provider who does. The 245D subcontracting service cost to providers range from 10%-40% of the individuals calculated daily rate. Now there is a moratorium on 245D licenses. Those providers, like myself, cannot apply for a 245D license to try an offset the decrease in revenue from the cuts moving FRS from the DWRS model to the flat rate tiered model.

It was brought up in front of the committee that FRS providers live in the same home as the people with disabilities we support. That is true. Unlike corporate residential settings (CRS) where staffing is shift based. Both of the people with disabilities I support require 24-hour supervision with some alone time. I am the primary care giver. I am the asleep overnight staff, the 24/7 on call staff, the morning staff, the evening staff and the weekend staff. If I want time off work, I need to hire someone to replace me and leave my home.

How do providers know how the new flat rate tiered system will affect current rates? Each year a MNChoices Assessment is completed for each person with disabilities. Embedded within that assessment is a case mix letter. If the person's needs haven't changed, providers can use last year's case mix letter to calculate the new daily rate under the flat rate tiered model. The new tiered flat daily rate does not allow exceptions in rates for people with complex needs nor account for the differences between individuals who attend day programs and those who remain home all day. Under this new tiered rate model, funding would be reduced by 10% for one person and 25.5% for the other person, a total 35.5% decrease. These are significant cuts that severely underfunds the Family Residential Services I provide.

I have considered:

• Closing my doors, which would force the individuals I support out of the least-restrictive, home-based settings and separate them.

• Reducing opportunities for community engagement and inclusion

• Reducing the number of support staff hours which puts added stress on me

• Changing/Adding services I provide and how they are provided

• Seeking additional employment on top of providing AFC services

All these options that I have explored would cause destabilization to how the house is currently run and the care provided. The adults I support thrive on consistency. When they don't know what to expect it causes anxiety and increased negative behaviors. This includes: self-injurious behaviors, hitting, punching, throwing chairs, failure to show up to work, overeating, increased illness and thereby increasing medical appointments.

Family Residential Services (Adult Foster Care) are not institutions — they are homes. My home is a small, community-based setting that allows the adults with disabilities I support to live with dignity, choice, and belonging.

Please reject the proposal to:

1. Limit billing for residential services to 351 days to align with rate absence factor.

2. Reverse the 25% increase in rate to the flat rate tiered model for FRS homes that was implemented in 2025
Thank you for advocating for small family run businesses and the people with disabilities I support.

In closing, I urge you to listen to the testimonials of all of us that this directly affects to understand the strain you will put on us all to provide the quality of life our residents deserve.

Thanks again

Francene Myhra

5970 Warner Ave S

Pine Springs MN 55115

(651)815-7479

April 16, 2026

Email: sam.parmekar@mnsenate.gov

To: John Hoffman, Chair and the Minnesota Senate Human Services Committee

Re: Testimony on SF 4476

Chair Hoffman and Members of the Committee

I am submitting this brief testimony to ask that the Omnibus budget bill SF 4476 include a **FULL REPEAL OF WAIVER REIMAGINED**. As the parent of a child currently served by the our Waiver system who will eventually be an adult and continue to need these sorts of supports and services, I have long been apprehensive about this program. Shamus P. O'Meara has already written to in much greater detail about the issue, that the HSRI budget model design at the foundation of Waiver Reimagined directly conflicts with state and federal law by basing individual budgets on living setting rather than need. Given these clear flaws it is equally clear that a 1-year delay to implementation is insufficient. As designed Waiver Reimagined will:

- Drive people out of their homes and communities by incentivizing institutional level care over home and community based services (HCBS).
- Harms, dehumanizes, and discriminates against people with disabilities through unjustified segregation and institutionalization.
- Increase cost through the inevitable lawsuits that will follow implementation as.

A single year cannot repair or rehabilitate this program. Please do the right thing and include a full repeal of Waiver Reimagined in the Omnibus budget bill SF 4476 and help Minnesota avoid inflicting the obvious harm, pain, and legal battles that will occur if it is allowed to move forward.

Sincerely,

Garret Zayic
Chaska, Minnesota

Chair Hoffman and Human Services Committee members,

My name is Anita Garner. I am a Family Residential Provider (FRS) in support of SF 4310.

The Flat Rate decreased our program by 52%. This directly affects the care of the people we serve.

On the Disability Waiver Rate Management System (DWRS) all aspects of care are taken into consideration and the hours Residents are out of the home are deducted. This is fair.

Daily Rates are NOT take-home pay. Licensing fees, training, liability, transportation, respite care costs, special diets, management, direct support professional wages, and so much more need to be covered.

Due to 24/7 care and supervision, we cannot obtain a second job. There are no health insurance benefits, social security payments, retirement plans, and paid time off.

The flat rates put us far below minimum wage. CRS homes and FRS homes have a work force CRISIS! There are no respite care homes in Douglas County. We need to hire respite Direct Support Professionals (DSP). On the Flat Rate System, it is not possible. This is unsustainable.

FRS homes have the same 245D requirements as Community Residential homes. The CRS homes are more costly to the state.

FRS homes are closing. There have been 55 FRS home closures and 141 beds lost since the Flat Rate implementation.

The cuts just keep coming.

There is absolutely no way to stay in business with another 25% cut.

351 billable days is absurd. We work 365 days; we need to be paid for the days we work. We cannot bill for days they are not in the home. This is wage theft.

Thank you,

Anita Garner, DCDM

Anita Garner AFC/FRS
13075 Turtle Lake Ct SW
Alexandria, MN 56308
Phone: 320-219-3275

Chair Hoffman and Human Services Committee members,

My name is Mike Garner. I am a Family Residential Provider (FRS) in support of SF 4310.

The Flat Rate decreased our program by 52%. This directly affects the care of the people we serve.

On the Disability Waiver Rate Management System (DWRS) all aspects of care are taken into consideration and the hours Residents are out of the home are deducted. This is fair.

Daily Rates are NOT take-home pay. Licensing fees, training, liability, transportation, respite care costs, special diets, management, direct support professional wages, and so much more need to be covered.

Due to 24/7 care and supervision, we cannot obtain a second job. There are no health insurance benefits, social security payments, retirement plans, and paid time off.

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Thank you,

Mike Garner, DC

Anita Garner AFC/FRS
13075 Turtle Lake Ct SW
Alexandria, MN 56308
Phone: 218-820-3746

Chair Hoffman and Human Services Committee members,

My name is Lyndsey Mindach. I am a Foster Care Licensor in support of SF 4310.

The Flat Rate system has decreased FRS programs by as much as 52%. This directly affects the care of the people they serve.

On the Disability Waiver Rate Management System (DWRS) all aspects of care are taken into consideration and the hours Residents are out of the home are deducted. This is fair.

Daily Rates are NOT take-home pay. Licensing fees, training, liability, transportation, respite care costs, special diets, management, direct support professional wages, and so much more need to be covered.

Due to 24/7 care and supervision, they cannot obtain a second job. There are no health insurance benefits, social security payments, retirement plans, and paid time off.

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The cuts just keep coming.

There is absolutely no way they can stay in business with another 25% cut.

351 billable days is absurd. They work 365 days; FRS homes need to be paid for the days they work. FRS homes cannot bill for days the people they sever are not in the home. This is wage theft.

Thank you,

Lyndsey Mindach

350 St. Peter Street #414
St. Paul MN 55102
602-829-8936

Subject: URGENT: SF4476 – Repeal Waiver Reimagine

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

My name is **Dawn D. Bly**, and I am the parent and advocate of my adult son, **David**, who relies on Home and Community-Based Waiver Services to live safely and with dignity in Minnesota. I am writing with urgency to express my grave concern about **Waiver Reimagine** and to strongly urge that **SF4476 include a full repeal of Waiver Reimagine in its current form**.

For families like mine, this issue is not theoretical or administrative—it is about **whether our loved ones can remain safely in the community or are forced into more restrictive settings**. David has complex and intensive support needs. He is non-verbal, has a seizure disorder, mobility challenges, and sensory sensitivities, and requires consistent supervision for personal care, medical monitoring, behavioral support, and safety throughout the day and night. His stability depends on trained staff who know his communication style, understand his medical protocols, and provide the preventative supports that keep him safe.

Waiver Reimagine threatens that stability.

My understanding is that Waiver Reimagine shifts budget determinations away from **individual, assessed need** and instead ties funding to **where a person lives**. This fundamentally flawed approach ignores the reality of people like David. His needs do not change based on housing type. They do not pause. They do not become less complex because of a funding category. They exist every hour of every day, and failure to fund them appropriately puts him at serious risk.

David's ability to remain in the community depends on:

- Consistent, skilled staff who understand his needs
- Support with personal care, hygiene, toileting, and mobility
- Seizure monitoring and emergency response protocols
- Behavioral supports and preventative interventions
- Meaningful daily activities and community inclusion
- Ongoing oversight to protect his health, safety, and dignity

Any cap, reduction, or mismatch in funding will have immediate and real consequences. It will not create efficiency—it will **destabilize his supports** and place him at risk of institutionalization or congregate care solely because community-based services become financially unviable. That outcome directly contradicts the intent of Home and Community-Based Services and decades of disability rights progress.

Families are raising the alarm because we see what is coming. Waiver Reimagine, as currently designed, introduces unacceptable risk, uncertainty, and potential harm to people who are currently

living successfully in their communities. Once these supports are disrupted, they cannot simply be rebuilt.

That is why partial fixes or delays are not enough. **Waiver Reimagine must be fully repealed.**

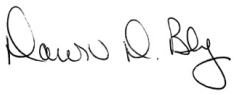
I respectfully but urgently ask that **SF4476 include a full repeal of Waiver Reimagine in its current form**. Any future reform must be built from the ground up with:

- Funding based solely on individual assessed need
- Protection for community-based living options
- Assurance that no one loses essential supports
- Meaningful leadership from waiver participants and families

The decisions you make now will have lifelong consequences for people like my son. I urge you to act decisively to prevent harm and to protect Minnesotans with disabilities who rely on these services to survive and to belong in their communities.

Thank you for your time and for considering the real and immediate impact of Waiver Reimagine on families across Minnesota.

Respectfully,



Dawn D. Bly
Parent and Advocate
Fosston, Minnesota

Lydia Dawley

St. Paul, MN.
lydiadawley4@gmail.com

April 16, 2026

Dear Chair Hoffman and Members of the Committee,

My name is Lydia Dawley. I have had cerebral palsy since birth and rely on disability services. I am also an advocate working to protect stable home care in Minnesota.

I was born with my umbilical cord wrapped around my neck twice and had to be resuscitated. Because of my disability, I need assistance with daily activities including preparing meals, feeding, dressing, showering, and household tasks.

I am writing to urge you to include a full repeal of Waiver Reimagine in SF4476.

I recently went months without caregiving services due to fraud investigations. I just got my new caregiver agency running again. This experience showed me how fragile the system already is. When care is disrupted, it affects my safety, health, and independence.

I have also tried to work within the system by exploring a CFSS budget model. Based on that structure, I would receive about 20 hours of care per week—only half of what I actually need. In addition, my budget would need to support paying caregivers between $17–$22 per hour to maintain consistent staffing. The current approach does not reflect the real cost of care or the level of support required.

Waiver Reimagine, as designed, risks basing services on where someone lives rather than on individual need. This could lead to people losing necessary hours of care or being pushed into more restrictive settings simply to receive adequate support.

People with disabilities deserve care that is stable, individualized, and person-centered. Moving forward with a model that does not reflect real needs creates risk not only for individuals, but for the system as a whole.

I am also working on legislation focused on stabilizing home care, because these gaps are real and people are already falling through them.

A delay is not enough. If the foundation is flawed, it must be addressed. I respectfully ask you to fully repeal Waiver Reimagine in SF4476.

People with disabilities should not have to risk losing care just to prove a system doesn't work.

Thank you for your time and consideration.

Sincerely,

Lydia Dawley

April 15, 2026

RE: Testimony – Omnibus #4476
Support for SF #4310 – Reenacting Framework Rates for Family Residential Services – Disability Waiver Rate System (DWRS)

Dear Senate Human Services Committee:

My name is Dawn Filipiak. My husband and I have operated Oak Hill Adult Services, a Family Residential Services home, since 2009. We have two long-term residents over age fifty.

"Good Morning Sunshine" our resident gave my husband and I his usual greeting with repetition this morning. Our little guy with Down syndrome, OCD and increasing dementia has some humor. Lately, when Erik preps and gives him his afternoon snack and is handing it to him, he'll tell my husband, "You saved my life" and give him a hug. This person is a considerable amount of work, but extremely personable at the same time. Much of a DSP's energy goes into the management of each resident's cognitive function, medical diagnosis, physical and behavioral challenges throughout the day. Making this profession extremely difficult and complicated. But then, we get those rare moments in time when handing out a bowl of fish crackers, possibly the 240th snack for the year, that puts it all into perspective, *"You saved my life"*.

MARSH and our bill supporters will address the financial impact of moving residents from Family Residential Services in their testimonies this week. What I'd like to address is the seeming years and years of **pervasive conformity bias** that has taken over the culture of DHS and certainly some of their county partners. When I listened to the recording of the DHS representative speak, I was transported back to the multiple conversations that my husband and I have had over the years with public health case managers, human service case managers, and their various supervisors.

Through this underlying **bias,** it seems as if FRS has become the group to *minimize*, to scapegoat. **Rather than everyone working as a team to stand up for and protect the vulnerable adults who live and thrive in Family Residential Services homes.** Instead of all parties forming positive relationships with a recognition that licensed 245D FRS providers are equal to other residential service providers. Also, for everyone involved, to realize that **FRS providers deserve to be paid a fair living wage and benefits just like other licensed residential providers and county employees.** The result of this conformity bias mentality is an underfunding of vulnerable adults with complex needs in Family Residential Services homes**, illustrated by DHS taking Family Residential Services residents off the DWRS and putting them on a Tier System that does not reflect their needs.** This is not person-centered, and it is a violation of the Olmstead Plan.

I understand that DHS wants their paperwork to match, "central document storage location". However, if that is the priority over-riding vulnerable adult displacement, then maybe their priorities need to be re-aligned. I could be wrong, but what I am reading between the lines and interpreting in the DHS's representative's presentations, when she says "continuity of care throughout that transition", is this, ***that vulnerable adults and their FRS homes don't matter. DHS is moving them no matter the method. That vulnerable adults can live anywhere and that it is no big deal.*** It seems to me that there is one goal – to eradicate Family Residential Services. Hopefully, DHS's representative has empathy and is just being misled. She talks about expenditures of

"studying other state's systems", of creating another "NEW team" at DHS, of creating a "work group", of "reforming Waiver Reimagine", several "reports", creating more "systems" and multiple "studies" To create another "new rate methodology in 2029". In my opinion this seems like an attempt to create long-term job security for DHS employees but shows a ***limited focus*** on spending those funds to ***protect the actual vulnerable people themselves.*** Wouldn't it be better to put those dollars toward sustaining the system we already know works, the DWRS. Additionally, we know that the DWRS is a superior rate management system because the other sixteen 245D services and their vulnerable adults were not removed from it, only Family Residential Services residents and their FRS homes were removed. The DWRS calculates each individual resident's needs much more accurately then DHS's new 2026 flawed rate management Tier System.

This takeback and changing of rate management systems every few years should be an embarrassment to MN. **Not funding *certain* vulnerable adults who have chosen a 245D HCBS family residential environment yet funding *other* vulnerable adults in equal-requirement 245D HCBS residential settings is not appropriate.** Underfunding people with disabilities in FRS homes and their 245D trained staff seems to be a ***calculated move*** to permanently take away least-restrictive environments ***so there is no alternative*** but to **force residents into more costly restrictive environments** after their Family Residential Services homes are eliminated.

In most professions people do not have to chase down their paychecks. A living-wage is expected. **There is no begging for pay or wage theft.** Most people do not have to advocate to be compensated for their jobs while they are already doing the job 24/7. Nor do people have to experience their benefits and wages taken away and hear biased individuals in the industry (who are getting *their* paychecks with no extraordinary cuts) say, "They'll do it for the right reasons". This is what Family Residential Services providers have endured for years and are enduring today. Obviously, **there is profound professional disrespect and mismanagement** at the highest level, and it needs to stop. This long-range misdirected plan, that has been playing out for many years, **is hurting vulnerable adults.** DHS taking vulnerable adults and their 245D Family Residential Services homes off the DWRS appears to be the next strategic move in a long line of intended disruptions to come.

It's time for the decent humans to step forward.

Respectfully Submitted,

Dawn Filipiak, Executive Director/DCDM
Oak Hill Adult Services
oakhill@runestone.net
13321 Church Rd. SW Farwell, MN 56327
320-283-5591

Olivia Herrboldt
21638 County Road 79
Elk River, MN 55330
04/16/2026

Sam Parmekar
Minnesota Senate Building
95 University Ave W
Saint Paul, MN 55155

Dear Members of the Senate,

My name is Olivia Herrboldt, and I am a licensed family residential service provider in Minnesota. I have provided direct, in-home care to individuals with high and complex needs for the past eight years.

I am writing to express urgent concern regarding the newly implemented tiered rate system—specifically the flat-rate structure for family residential services. This policy is not simply a budget adjustment; it is a fundamental restructuring that is unsustainable, inequitable, and will cause measurable harm to both providers and the individuals we serve.

This system reduces provider reimbursement by nearly half while maintaining the same expectations for care, staffing, compliance, and outcomes. This is not cost containment—it is cost shifting, and it will destabilize an already fragile system.

The flat-rate model fails to account for the reality that client needs, care intensity, and operational costs vary significantly. By imposing a one-size-fits-all rate, the state is effectively penalizing providers who serve higher-need individuals. It disincentivizes quality care and undermines the very principles of person-centered services and community integration.

As 245D-licensed providers, we are held to the same regulatory standards as corporate group homes. We are responsible for medication administration and documentation, implementing individualized support plans, maintaining compliance with extensive state regulations, coordinating medical and mental health care, ensuring safety, and responding to behavioral or mental health crises at any time. These responsibilities are constant and subject to ongoing oversight.

The difference is not in the level of responsibility, but in the model of care. Family residential providers typically serve one to two individuals in a home setting without a shift-based staffing model. This means the provider is directly responsible for all aspects of care, supervision, and compliance, in addition to operating and managing the business itself.

What this model provides—something that cannot be replicated in larger, rotating-staff settings—is consistency. Our clients receive one-on-one support from the same caregiver every

day. That continuity is what allows for meaningful progress in mental health stabilization, behavioral support, and independent living skills.

If this policy remains unchanged, the consequences will be immediate and severe. Family residential providers will close, and many are already preparing to do so. System capacity will shrink, and vulnerable individuals will be displaced from stable, supportive homes. These individuals will inevitably be placed into more restrictive and significantly more expensive settings, such as corporate group homes or state-operated facilities—ultimately increasing costs to the state rather than reducing them.

I urge you to take immediate action to re-evaluate the tiered rate system as it applies to family residential services. At a minimum, rates must reflect the actual level of care provided, the complexity of client needs, and the operational realities of small providers. Without meaningful revision, this policy will not only dismantle a critical part of Minnesota's care system—it will do so at the expense of the very individuals it is intended to support.

Family residential providers are not a lesser tier of care. We are a highly effective, deeply committed part of the system, and we deserve to be understood and supported as such.

Sincerely,
Olivia Herrboldt

To Chair Hoffman and the Human Services Committee

Hello everyone, my name Greg Thelen. I am father the of Benjamin, my 27-year-old son w severe autism and a seizure disorder. I'm also a physician, a psychiatrist. And I'm hoping I can give you a unique perspective from being both a parent and mental health professional. I am also hoping I can convince you how important it is for you to support SF 4310 and SF 4476.

For 26 years my wife Heather and I raised Ben in our home. It was the most rewarding and at times the most difficult job we ever loved. Last year we discovered Family Support Services. We found an incredible foster mom, Kassie. Kassie had been Ben's PCA since he was 5, and Kassie has created a home that is both hers and Bens. It's a loving, consistent, and supportive home, and he is thriving there. And it is a lot of work. I believe there's been some discussion in justifying cuts in services. Phrases like "They sleep in their own bed" imply that foster parents somehow have it easier. Clearly, these individuals have no idea what it means to take care of a severely mentally ill individual. It is a 24 hour 7 days a week job. I know that because Heather and I did that work for 26 years.

Foster parents are responsible for getting the individual up, dressed, fed, medicated, keeping track of the medications, making sure they get to their medical appointments, getting to work and day programs and getting them back home again along with keeping the extensive paperwork that goes with it. In the evening the work does not end. The individual requires near 24-hour monitoring. In the case of my son with seizures, they have to be a least close enough to intervene/ Others with medical conditions would have their own needs to be monitored. At bedtime, the work also does not end. Once prepped for bed, the foster parents have to monitor sleep and make sure that individual does not get up at night without their knowledge. Think if how much work a family does if they are the caregivers to a mother with severe dementia. They will tell you it is a 24/7-day job as well with incredible burn out. That is the equivalent of what a foster parent has to do daily. That is why I know it is also an act of love. And it is very cost effective to the alternatives. I can address those alternatives.

Now let me put my doctor hat on. I recently retired after 25 hours as a VA psychiatrist but I also had my foot in the private community covering in-patient psychiatric hospitals. I know and have seen what happens when services are cut from people who need them.

I am hearing some foster homes are already closing due to these budget cuts. The individuals affected will be placed somewhere. That somewhere will provide the basics of food, clothing and shelter and after being torn away from the stable loving environment they needed to have a meaningful life, they will begin to crash. Care givers will use phrases like "acting out" and they will end up in the ER and the ER doc will call me or someone like me. They will then be hospitalized at least 2 weeks while we find different housing. Housing that will give food, clothing and shelter. In the mean time they will be given drugs

to prevent them from “acting out” and when they continue to act out because they are not being given the environment they need. They will be hospitalized again and the cycle will continue until they are drugged enough their family won’t recognize them but they won’t act out and they may very well be put into institutional long care facilities out of sight and mind. This is the greatest nightmare a parent can have. This is a cycle I see all too often. And the cycle is far more costly than a foster care home that keeps the individual grounded, loved and out of the hospital cycle.

Now picture Washington and the with the chain saw guy slashing indiscriminately, chopping up programs and people’s lives seemingly enjoying the experience. We can’t DOGE these people. These people are not commodities to be cut to help an agency pretend they are being more efficient by using their own chain saw. We don’t do that here. We are Minnesotans. I grew up here and returned here to practice medicine because we are the opposite of that.

We all want government efficiency. And I am grateful Community Support Services have not been targeted for the chain saw, but Family Support Services offers the same services and it is cost effective in keeping people out of hospitals and institutions. Family Support Services offers unique care for the right population to give them a chance at a meaningful life. With my experiences as a parent and a provider I would be happy to volunteer my time to anyone who wishes it to look at ways to improve efficiencies in Community Support Services and Family Support services and bring in all parties involved in delivering services to the table.

As a provider, I take the oath of “Do no harm” very seriously”. Over 25 years there have been times when every provider, including me, unintentionally miss the mark. It is sock to the gut and you never forget it. You are in that position now. You can choose “Do no harm” and fund this bill. Reject the DOGE mentality and bring all parties to the table. Do a true cost and life value comparison for both the Community and Family Support programs and reject the false narratives that foster families are not working as hard or deserve to have their funding cut. Support SF4310 and SF 4476.

Sincerely,

Greg Thelen MD MS
Parent and Psychiatrist.

Council for Minnesotans of African Heritage
658 Cedar Street, Suite G57
St. Paul, MN 55155
cmah@state.mn.us | 651-757-1750

Senator John A. Hoffman
95 University Avenue W.
Minnesota Senate Bldg., Room 2111
St. Paul, MN 55155

April 16, 2026

Re: Acknowledgment and Support Letter for SF 4452- Metropolitan area group residential facility appropriation

Dear Senator John A. Hoffman:

The Council for Minnesotans of African Heritage formally acknowledges the longstanding leadership, advocacy, and community-driven efforts that have contributed to the development of SF 4452. The Council expresses its strong and unwavering support for this legislation, which authorizes a one-time appropriation for the establishment of a 32-bed residential facility, "Ms. Bea's," to be operated by Turning Point Inc. This measure represents not only a critical investment in infrastructure but also a substantive acknowledgment of the historical and systemic inequities that have disproportionately affected African Heritage communities across Minnesota. The Council affirms that the creation of this facility constitutes a meaningful and necessary advancement toward culturally grounded care, enhanced community stability, and equitable access to essential behavioral health and recovery services.

African Heritage Minnesotans continue to experience some of the most persistent disparities in the state, including disproportionate rates of homelessness, substance use challenges, chronic disease, and barriers to stable employment. These inequities are the result of long-standing structural conditions that have limited access to culturally grounded care, safe housing, and economic opportunity. SF 4452 addresses these realities by investing in infrastructure that centers the cultural identity, lived experiences, and healing needs of African Heritage people.

The development of Ms. Bea's will expand access to safe, stable, and culturally responsive residential care at the scale urgently needed. Turning Point Inc. has a long and trusted history of serving African Heritage Minnesotans with dignity, cultural integrity, and community-rooted expertise. The facility's design, including trauma-responsive spaces, ADA-compliant upgrades, life-safety improvements, and community common areas, reflects a commitment to safety, accessibility, and holistic well-being. The inclusion of a workforce development and resource room ensures that residents are not only stabilized but also supported in rebuilding their economic futures.

The impact of this investment will be felt across the state. African Heritage communities in Minnesota have long called for culturally specific spaces where healing, recovery, and opportunity can occur without stigma or systemic barriers. Ms. Bea's will reduce preventable health crises, decrease reliance on emergency and justice-system interventions, and strengthen pathways to employment and long-term stability. These outcomes benefit families, neighborhoods, and the broader Minnesota economy while advancing the state's responsibility to address racial disparities with intentional, community-centered solutions.

SF 4452 is a meaningful step toward building the culturally specific infrastructure that African Heritage Minnesotans deserve. The Council for Minnesotans of African Heritage urges full support for this appropriation and recognizes it as a vital investment in the health, safety, and economic vitality of African Heritage communities statewide.

Sincerely,

Linda Sloan | Executive Director
Theodore Rose | Managing Director, Policy
Lolita Davis Carter | Legislative & Policy Director

The Minnesota Legislature empowered the Council for Minnesotans of African Heritage to ensure that people of African heritage fully and effectively participate in and equitably benefit from the State of Minnesota's political, social, and economic resources, policies, and procedures. Generally, the Council is charged with the responsibility of:

- *Advising the Governor and the Legislature on issues confronting People of African Heritage;*
- *Advising the Governor and the Legislature on statutes, rules, and revisions to programs to ensure that Black people have access to benefits and services provided to people in Minnesota;*
- *Serving as a liaison to the federal government, local government units, and private organizations on matters relating to People of African Heritage in Minnesota;*
- *Implementing programs designed to solve problems of People of African Heritage when authorized by statute, rule, or order; and*
- *Publicizing the accomplishments of People of African Heritage and their contributions to the state.*

Dear Committee Members,

My name is Matt Villnow and my family and I provide Family Residential Services to vulnerable adults in our home. We have opened our home and hearts over the past 10 years and have seen the direct positive impact a family setting can have on vulnerable adults.

We have had vulnerable adults come into our home, in emergency situations, spend about a year with us as we helped them become healthy and stable and then moved into their forever home. A home where they can receive constant love and support from the same people is life changing for those who have been through trauma. With the flat-rate system we will no longer be able to do this as the funds will not be able to cover their needs.

We have had the same vulnerable adult live with us and become part of our family for the past 10 years. The flat-rate system will soon negatively affected this woman (May 1st as this is her renewal month). Prior to the flat-rate system we were able to bring a person in to be with her while we work our full-time jobs in the Human Services field. They would spend their days volunteering in various organizations, connecting to people and places that are meaningful to her and overall enjoying life while giving back to the community. When the flat-rate system became effective we learned our rate will be cut in half. We will no longer be able to afford to bring in someone to be with her and her life experiences will be limited to what we can provide outside of our work times.

The vulnerable adult who lives with us is one of many who will have their lives negatively affected by the flat-rate system. Many of these people have lived in their home for years and stand a very real chance that they will be forced to leave their home, move into a Community Residential Setting where shift staffing will come and go and where they will not be part of a family as they have been for years. People will be harmed as the flat-rate system does not take into account many of the variables that are not reflective in the Mn Choice Assessment the rates are based on.

I am using my voice for those who cannot speak out what they need. Please include SF 4310 and make it possible for people to remain in their homes and with families.

Thank you for your time and consideration.

Sincerely,
Matt Villnow
Family Foster Care Provider

4/16/26

SF 4310

My name is Ashley Helgeson, and I am an Adult Foster Care (AFC) Provider who also has a 245D license to provide Family Residential Services (FRS). I am licensed through both Sherburne County and the state of MN. I am aware that legislatures are concerned with saving money due to the current deficit we are facing in Minnesota, but what you guys are not seeing, is that in the long run, cutting funds for FRS providers is going to cost you more.

I have a female client with developmental disabilities living with me and my son in our home. She has lived here for almost 3 years, and is upset by what is going on with the rates because she knows that we may have to find her different placement. She has lived on her own in an apartment, has lived with different family members, lived in CRS homes, and has not liked any of the other living situations due to various reasons. She states that she is happy here and does not want to move. She would likely end up moving back to a CRS home if I have to close my FRS, which I will likely have to do if we stay at the current Tiered Rates, as I will not even be making minimum wage. I will no longer be able to pay all of the bills that come with having an AFC and providing FRS.

I also am also confused on why they want to cut our billing days from 365 days per year to 351 days per year? The client that lives with me lives at our home 365 days per year. Who would be responsible to care for her for the 14 days that they want to cut from our contracts per year? My program can not afford to have her home and pay all expenses with her living here when not getting paid. At the current flat tiered rates, I can not afford to have her live here even when getting paid such a small amount and provide appropriate and needed services to her.

Here are how the numbers shake out for my client:

*On the 2025 DWRS: $468.44/day
    -$468.44 / 24 (hours I have to be available to my client a day) = $19.52/hour
*On the new Tiered Rate for FRS as of 4/1/26: $254.06/day
    -$254.06 / 24 (hours I have to be available to my clients a day) = $10.59/hour
*If my client has to move out of my FRS into a CRS: $653.71/day
*The state would be spending $185.27 more per day if she moves from my FRS to a CRS.
*The state would be spending $65,623.55 per year if she moves from my FRs to a CRS.

I am also confused on why AFC providers will have to pay a yearly $2100 re-licensing fee which is also being added this year. Our county licensor has stated that half of the money will be going to DHS, while the other half will be issued to the county. Can you explain what this will be used for? I am not sure how you can cut funding for my program by 45.76% and then have me pay more in licensing fees? Plus, we also already pay a re-licensing fee to DHS at the end of the year which is based on the income that we have made, so why more? Why not put us back on the DWRS system, and tax our income? I feel like this would be more beneficial for all as we can prove income as business owners, and the government gets their cut via taxes.

Thank you for your time.
Ashley Helgeson

April 16, 2026

To: Human Services Committee

From: Jill Gardner Family Residential Services Provider

Jill Gardner

17618 229th Ave Nw

Big Lake MN 55309

Subject: Family Residential Services, Tiered rate cut another 25%, Pay for only 351 days instead of 365, Limit to inflationary cost to 2%

Hello, I first want to thank you for your time. My name is Jill Gardner. I am a 245D licensed Family Residential Services provider. I opened my home in 2009. I am licensed for 3 people, who have lived with me for 10, 14, and 15 years. Though they are not related to me in any way, they are like family to myself and my family. Their ages are 65, 76, and 80. They also do not work or go to day centers or have supportive families who take them anywhere. They are with me 365/24/7. Not 351 days, it is 365 days. I do need to have support staff to maintain 245D compliance. So, this math does not math! My income will be depleted by 68% with the snap of a finger. The tiered rate system will make it impossible to provide person centered care in accordance with the laws and statutes. The bottom line is , I will not be able to afford any staff or be able to maintain the standards I am obligated to fulfill. I will have to close my home and my clients will have to move. They are supposed to have choices on where the get to live, now they will be forced to move to a strange place without the supports they receive currently at a home they know, trust and love.

I believe no one realizes these cuts to FRS homes will in reality increase costs for Minnesota. People will be displaced from their homes, only to be sent to more expensive alternatives, such as Hospitals, nursing homes, and other institutional facilities. This will only bring chaos, sadness, confusion and higher expenses.

Thank you for your time

Sincerely,

Jill Gardner

LEAGUE of MINNESOTA CITIES

April 17, 2026

Re: SF 4476 – Support for group assisted living facility policy reforms in the Human Services Omnibus Budget Bill

Chair Hoffman and Members of the Senate Human Services Committee

On behalf of our 842 member cities, the League of Minnesota Cities appreciates the opportunity to provide comments in support of several provisions in the SF 4476 A-1 Delete Everything amendment, which includes important policy reforms regarding group assisted living facilities. We appreciate that the omnibus human services budget bill includes several important provisions, including allowing licensing agencies to delegate inspection of licensed facilities to cities to ensure reasonable property maintenance standards for group assisted living facilities, improving communication between state licensing agencies and local governments, and expanding on existing proximity considerations for certain licensed facilities.

The League of Minnesota Cities supports the following provisions in SF 4476 as amended by the A-1 Delete Everything Amendment:

Article 2, Section 5 and Article 4, Section 12 – Notice to Cities
The language in Article 2, Section 5 and Article 4, Section 12 improves coordination by requiring licensing agencies to notify cities no later than five days after issuing a license for 245A and 144G licensed facilities with six or fewer residents in a permitted single-family residence. Notification to cities with the license holder's name and contact information, license type and capacity, and the address will support better coordination between state and local governments and help cities respond to community questions while carrying out local planning responsibilities.

Article 2, Section 6, and Article 4, Section 20 – Delegation of Inspection Authority
The language in Article 2, Section 6 and Article 4, Section 20 restores the ability for cities to ensure reasonable property maintenance standards continue to apply to these facilities. Local inspections are an important tool for protecting residents by ensuring buildings remain safe and habitable and that issues related to building conditions, sanitation, and life safety are addressed in a timely manner. Cities are often the first point of contact when residents, neighbors, or first responders identify concerns and are typically able to respond more quickly than state agencies to address issues that may arise between periodic state inspections.

Article 2, Section 6 and Article 4, Section 11 – Proximity Standards
While we are disappointed that the language imposing a 650-foot proximity standard for residential programs licensed under Minn. Stat. 245A and 245D was not included, the language, the language in Article 2, Section 6 and Article 4, Section 11 represents a compromise between

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stakeholders. The language in Article 2, Section 6 and Article 4, Section 11 prohibits licensing agencies from issuing a license for an assisted living facility licensed under Minn. Stat. 245A, 144G and 245D with six or fewer residents if the proposed setting shares a property or an adjoining property with an existing community residential setting. Reasonable spacing requirements help distribute supportive housing more evenly throughout communities and support the goal of integrating individuals with disabilities into residential neighborhoods, while still allowing flexibility through local approvals or a certificate of need process.

Together, these provisions strengthen the partnership between state agencies and local governments while ensuring that group assisted living facilities remain safe, well maintained, and integrated within communities.

Thank you for your consideration, and we respectfully urge members to support these important changes contained in the A-2 Delete Everything amendment.

Daniel Lightfoot
Senior Intergovernmental Relations Representative
League of Minnesota Cities

4/16/2026

Dear Senators,

My name is Julie Eittreim and I have been a Family Services Residential Provider (FRS) since 2015. I am requesting that you support Family Residential Service (FRS) Providers and the most vulnerable individuals in our care by rejecting the Governor's Budget proposal , supporting Reenactment of the DWRS Framework Rate Methodology, and reexamine the Omnibus Human Services Budget Markup and do what is in the best interest of our most vulnerable or we will certainly be forced FRS to shutter our doors.

I hope you take the time to actually read this letter and consider the serious ramifications of the Governor's budget cuts to, in particular, the most vulnerable citizens of Minnesota the developmentally disabled.

The current budget proposal and the budget cuts that Governor Walz and DHS have imposed on Family Residential Providers, and only us, (Adult Family Foster Care) are criminal and at best ludicrous! This budget is going to crucify Family Residential Providers which will result in thousands of vulnerable individuals to lose their homes.

Do you even realize that the Department of Human Services has also imposed a Tiered Flat Rate for Family Residential Service Providers which for me is a 57%, 47% and 34% cut for each of the three individuals I serve? To top it off The Governor's Budget will cut our rates by an additional 25%!

Do you understand the crisis that is looming; Family Residential Providers are going to be shutting their doors because they cannot afford to run their programs. Some providers are looking at an 82% cut in their rates! Where are the thousands of individuals who live in and rely on our care supposed to go? The Olmstead Act was supposed to protect their right to choose where they live, however, the State is taking their rights away by making it impossible for Family Residential Services homes to stay open.

There will be NO COST SAVINGS for the State if Family Providers close their doors, it will be a cost shift and will cost the state more to put individuals into corporate group homes or Long term care institutions. For example; two of the women I serve require 1:1 staffing. <u>The current daily rate for one individual under the DWRS is 582.52 which is in order to provide staffing, programing for her Serious and Persistent Mental Health, personal cares, and to provide for health and safety. According to DWRS to place her in a corporate group home will cost the State between 850.00 to over 1000.00 per day to meet her required, person centered plan of care</u>!

The other individual that requires 1:1 will have to move to a long term, memory care facility which will also cost significantly more.

DHS and the Governor Walz are targeting Family Residential Providers by not only cutting our rates, but DHS has raised the cost of our licensing fees to 4100.00 per year! Plus, now we have to pay the County we are licensed in another 2100.00 per year for a county license! DHS is sabotaging any chance that Family Providers can keep our doors open as they have cut our rates, increased fees, and placed a moratorium on Day Programs which will be the only option for Family Residential Service Providers to stay open as we will have to obtain work outside of the home.

Do you even know what it is the Family Residential Service Providers do? We have to adhere to the exact same policies, procedures, and standards that a corporate group home has. The huge difference is I am here 24/7, 365 days a year, no sick days, no holidays, and am on call even when lucky enough to have a vacation! FRS Providers get no benefits, no ability to claim the wear and tear on our vehicles, no ability to claim the damage to our homes, no retirement, none of the expenses we put into our programs. The Governor's Budget also only wants to pay us for 351 days a year! How is this fair when I am providing services 24/7, 365 days a year?

The individuals I serve are treated like family; this is not an institution which was the point of pushing for community integrated living in a less restrictive setting than a group home. **You are more than welcome to come visit my home if you need a better understanding of what exactly a Family Residential Service home is as it is apparent that there is a lack of awareness at all levels of our State Government.** DHS and the Governor are not giving FRS Providers the respect that we deserve or recognizing the invaluable services that we provider

I am asking you to take a look at this from the viewpoint of a family member with a disabled adult child who needs support and the family is unable to private pay. Would you rather have them in a group home with rotating staff three times per day, lack of social opportunities, no opportunity to go on a family vacation, and not a inclusive family setting? Or would you want them in a family setting, included in on holiday celebrations, birthday celebrations, get to go on vacations, be treated as family? Have you personally spoken to anyone who has lived in a corporate setting and now lives in a Family Home? This might help you see clearly the difference. Two of the women I serve were in multiple Corporate settings and were far from successful.

Family Residential Service Providers deserve to be reimbursed for the services that we provide. DHS and the Governor's Office is intentionally trying to drive all of us out of business and potentially destroy the lives of the people we serve. No other program is looking at these significant cuts, increase in licensing fees by over 50%, lack of resources to support us or the

consumers by placing the moratorium on day programs. Every possible road block has been set up to make us fail.

Family Residential Providers and the individuals we serve need you to take the budget cuts to FRS Providers and our programs off the table and reenact the DWRS Methodology! The current policies and budget cuts from DHS and the Governor are going to drive us out of business and our consumers will have to go back into institutional settings.

Thank you for your careful consideration and I am hoping you will re-examine the Omnibus Human Services Budget Markup, reject Governor Walz's budget proposal as these cuts are being done off the backs of our most vulnerable. Family Residential Services will literally become extinct if our rates are not restored to the DWRS Methodology if the Senators of Minnesota don't REJECT Governor Walz's further cuts to our programs.

Julie Eittreim

Eittreim Family Foster Care

1700 Whitetail Run

Buffalo MN 55313

612-388-3942

Honorable Senator Hoffman and Human Service Committee,

My name is Becky Bosl, Cedar Hills Foster Care. I am a Family Residential Services provider. I have been licensed 245D & 245A since 2016. I have one person in my home who has been with us for 7 years now.

I am in support of Senate File 4310 to Restore Family Residential Services to DWRS Rates.

I am Not in support of the Governor's Budget Proposal to reduce funding on the Tiers by another 25%, reduce billable days to 351, and cap the inflationary adjustments.

As a Family Residential Services provider, I am very concerned for the safety, stability, and continuity of care for my client. These funding cuts are unsustainable for our program.

First, with our home expecting a 41.5% decrease on the tiers upon the Service Agreement renewal on August 1st, I will say that this new rate system is NOT without harm. While the INTENT may have been good the EFFECT will not be good.

Transparency is key in all of this. The financial data for our client is this:

FRS DWRS RATE: $434.20

TIERED RATE: $254.06

CRS DWRS rate: $607.02

As you can see her rate from DWRS to TIERS will DECREASE by 41.5%

From the current TIER rate (implemented Aug 1st) to CRS will be a 58.1% increase in cost of her care. This is the unrealized cost of having our funding cut so low that we no longer can meet the needs of her service support plan.

It was stated in the Senate Hearing for SF 4310 that the savings projection with the implementation of tiered rates was at 6.127 million. Then with the 25% increase on the tiers that savings changed to approximately 4 million. Can I ask, in the vast HHS budget, is this kind of savings worth risking stability, safety, and housing for 3,000+ individuals receiving FRS services? What about when we lose some of our host homes or life sharing homes because their 245D (FRS) servicing agent is no longer in business. Then we are talking about 10,000+ people at risk. This is significant.

Another aspect to these rate cuts that was not addressed at the meeting is the loss of EXCEPTIONS. This does not affect my client, but for many it does. These exceptions are rates that are increased based on extraordinary needs for the person. So not only did

homes get shifted to TIER rates but they also lost their Exception rate. The cuts implemented lass session were devastating to residential services.

We are a unique sector of disability services that offers a family setting, continuity of care, consistency of providers, with high standards and exceptional planning and service delivery through our 245D licensing and extensive training. We provide 24/7 support in our home. Every aspect of our daily lives is integrated with the services we provide.
The people with disabilities living in family residential service homes stand to lose so much. When our family homes are forced to close due to these drastic rate cuts, the people we serve will be forced to relocate and will lose:

- Proximity to their families
- Trusted Health Care team
- Jobs/Day programs
- Community and Friends
- Religious Affiliations
- Extended Foster Family
- Special Olympics Teams
- Community organizations

Please consider that these budget changes will impact thousands of lives. This is going to lead to a **COST SHIFT** of services being provided in higher cost settings and more restrictive settings. <u>This is policy and budget forcing displacement of individuals with special needs.</u> This is not person-centered, not in keeping with the Olmstead Agreement, not in congruence with individual support plans or individual abuse prevention plans, and it risks so much more than the money documented in this budget. This is about human lives and continuity of care in the least restrictive preferred setting.

Please do what is right and support the lives of those who cannot advocate for themselves. Like Josh Berg said in his testimony at the House hearing for the Governor's Budget Proposal, "When community-based services destabilize people do not need less support, they lose their homes". This couldn't be more true.

Thank you for your time and consideration on this matter.

Becky Bosl, Cedar Hills Foster Care

Subject: SF4476 – Waiver Reimagine Written Testimony

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

I am asking you to put an end to Waiver Reimagine. Please protect us. Please protect Kylen. We want Kylen to live at home with his family—with the people he loves and who love him. We want him to be able to choose how he spends his days and who provides his life-sustaining care. We want the promises of Olmstead, the ADA Integration Mandate, and Minnesota's own Murphy Settlement Agreement to be upheld.

Dear Senators, I love and adore my 31-year-old son. You both know that Kylen's needs require total, around-the-clock care. He is a complex and beautiful person. Please allow me to continue caring for him at home—while saving taxpayers money at the same time. I can do both. Waiver Reimagine will take away the very things that make this possible. Please do not let MN DHS DSD and HSRI do that to us.

For over five years, disability rights advocates have worked in good faith with DHS staff in every format available to no avail. We have offered concrete, legally compliant, person-centered solutions that would improve the system and, in cases like Kylen's, save taxpayer dollars. We even drafted a legislative amendment to help guide the Department in a positive direction for Minnesota's most medically and physically complex individuals in support ranges H and E—and that was ultimately ignored. We have asked for the information from MN DHS DSD & HSRI that we need to advocate and collaborate with them, and they continue to ignore our requests for "updated" self-directed budgets per support range. This is the opposite of transparent.

I respectfully ask that SF4476 include the full repeal of Waiver Reimagine. Thank you for protecting Minnesotans like Kylen, who need you in their corner.

Sincerely,
Katheryn J. Ware, RN, BSN, PHN
Kylen Ware
240 11th Avenue South
South Saint Paul, Minnesota 55075
651-261-2587
kitkat24@comcast.net

April 16, 2026

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

My name is Lauren Thompson. I am a CADI waiver recipient and disability rights advocate. I am writing to respectfully urge you to include a **full repeal of Waiver Reimagine** in the Human Services omnibus bill, SF4476.

Concerns about Waiver Reimagine have existed since its inception. At its core are inequitable budget caps and a fundamentally flawed methodology that bases individual budgets on residential setting rather than on assessed needs. This approach directly contradicts person-centered principles and creates a dangerous incentive structure—one that favors more restrictive, institutional models of care over community-based living.

The result is clear: fewer people with disabilities will have the option to live independently in their communities. That is not just a policy concern, but a civil rights issue. It conflicts with established state and federal protections, including the Olmstead decision and the Rehabilitation Act, which affirm the right to live in the least restrictive setting possible.

For many Minnesotans with disabilities, these inequitable budget constraints would amount to a loss of fundamental freedoms. They would push more individuals into group homes, nursing facilities, and other institutional settings—placing additional strain on an already overburdened care system.

At the same time, this approach is fiscally unsound. Forcing people into more restrictive and often more expensive services will increase overall state spending, not reduce it. In many cases, it will result in the inefficient use of public resources by funding higher levels of care that are neither necessary nor desired.

Over the course of several years, advocates, stakeholders, and Department of Human Services staff have made good-faith efforts to address these issues. I have personally participated in those efforts and deeply respect the dedication of those involved. However, the fundamental problems remain unresolved.

At a certain point, we must move beyond intent and evaluate outcomes. As currently designed, Waiver Reimagine risks violating rights, destabilizing lives, and creating avoidable costs for the state.

Another delay will not fix a structurally flawed system. The responsible course of action is to stop, reassess, and rebuild.

I urge you to include a **full repeal of Waiver Reimagine** in SF4476. Doing so will allow Minnesota to move forward collaboratively and develop a waiver system that is lawful, sustainable, and truly responsive to the needs of disabled Minnesotans.

Thank you for your time and consideration.

Sincerely,

Lauren Thompson

MSSA Minnesota Social Service Association

4/16/26

SF4476 Omnibus Human Services Budget bill

Chair Hoffman and Members of the Senate Human Services Committee,

Thank you for the opportunity to share comments on the waiver case management provisions included in SF4476 and your strong commitment to human services in Minnesota.

MSSA represents thousands of human service professionals statewide, including the largest membership of waiver case managers across both county-operated and contracted settings. Our members support individuals who rely on a stable, high-quality home and community-based services system.

We appreciate the work that has gone into this bill and the focus on strengthening quality and accountability in waiver case management.

Working Group and Rate Study
We appreciate the inclusion of both the working group and the rate study. We support the focus on service quality and system performance (Sec. 21, Subd. 3(a), lines 25.19–25.21; 26.13–26.15), as well as the evaluation of reimbursement rates, workforce pressures, and the cost of delivering services (Sec. 22, lines 27.9–27.12).

We also appreciate the inclusion of MSSA in the working group membership (Sec. 21, Subd. 2, lines 25.6–25.13), which helps ensure that the perspectives of case managers and providers are part of this work.

Working Group Structure
We want to note that Sec. 21, Subd. 1 (lines 24.27–24.30) and Subd. 3(b) (lines 26.9–26.11) direct the working group toward a transition away from contracted case management. We appreciate the ongoing conversations on this and the intent to continue working through these issues.

However, we believe the House approach, which allows the working group and rate study to fully evaluate the system before determining future structure, provides a stronger path forward, helping to keep our system stable and ensure we do not create unintentional gaps for those receiving waiver case management. We would encourage adoption of that approach in conference committee.

Overall
We think the working group and rate study create a strong opportunity to take a thoughtful, data-driven look at the system, including workforce capacity, funding adequacy, and service continuity. Allowing that work to be fully informed by the next steps will be important to ensuring solutions that best serve those who receive waiver case management.

We look forward to working with you on these efforts. Thank you for your leadership and partnership.

Sincerely,

Michelle SanCartier
Director of Public Policy & Advocacy
Minnesota Social Service Association

Beth Ringer
Executive Director
Minnesota Social Service Association

Honorable Senators,

I am in support of SF 4310 Family Residential Services Rate Reenactment.

My name is Rebecca Keppers and I live in Osakis, Minnesota. I am writing to urge your support for HF 4288 and SF 4310, which would restore framework rates for Family Residential Services (FRS) under the Disability Waiver Rate System.

My Connection to This Issue

I am a friend from Todd County. This matters to me because there are many people who I have met and have become friends with that work with these clients. There is a need to have decent pay for the care takers of disabled clients in their homes because there is so much paperwork besides just taking care of their clients. My friend has been doing this for 7 years and it takes a special person to be able to work with the clients. She is so busy during the time when her client is home keeping her on track that most of her paperwork is done after the client goes to bed. Her client is part of her family 24/7 except for when she is able to work for a max of 4hrs a day. Not all of the people that live in these homes are able to work out. Also, some of these clients are as needy as a child that is between the age of newborn-2. I know of two clients that are in an FRS home, they have improved from their past situation and now have the feeling like they are part of an appreciated family. I am concerned that if this care disappears, we are going to have more criminal issues or missing because these clients do not comprehend what they are doing and the consequences if there is no one to keep them on track. I also believe that someone that has lower needs does not need as much as someone that has higher needs. They need to keep the evaluation of each individual yearly to see if there are improvements or decreases in the client's capabilities.

Why This Legislation Matters

Family Residential Services provide 24-hour care to some of Minnesota's most vulnerable residents in small, home-based settings. The framework rate methodology ensured that funding was tied to each individual's assessed care needs. The flat tiered rate system that replaced it does not account for the actual cost of care, and it threatens to close an estimated 70% of FRS providers statewide.

If these homes close, approximately 3,300 individuals will need to be placed elsewhere. Many of them have lived in their current homes for years. Displacement from a stable home is not just disruptive. For individuals with complex disabilities, it can be medically dangerous and psychologically devastating. Minnesota does not have the capacity to absorb these individuals into other settings and forcing them into institutions would violate the Olmstead Decision.

HF 4288 and SF 4310 restore a system that was already working. This is not new spending. It is a correction that ensures funding matches the real cost of individualized, community-based care.

I respectfully ask that you support the inclusion of HF 4288 / SF 4310 in the Human Services Omnibus bill or support its passage as a standalone bill. These are real people in real homes, and they need the Legislature to act.

Thank you for your time and consideration

April 16, 2026

Sam Parmekar, Mn Senate
Sen John Hoffman, Chair of MN HHS Committee
Shamus O'Meara, esq, O'Mears & Wagner
Waiver Reimagine Task Force

Subject: SF4476 – Waiver Reimagine
REQUEST FOR ACTION: Opposition & Repeal of Waiver Reimagine Legislation

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

Please include the following testimony at the 11:00am Friday, April 17, 2026 MN HHS Hearing.

We are parents a person with a disability in Minnesota. We are writing regarding Waiver Reimagine and the proposed changes to how budgets are determined and request the Omnibus budget Bill SF4476 include a FULL REPEAL OF WAIVER REIMAGINE legislation.

Having grown up in the 1960's and being peripherally aware of state institutions, one of the many fears we had upon realizing the gravity of our daughter's disability was, where and how would she live after we were no longer able to care for her.

We thought we had resolved this fear because our daughter lives in a home of her own. We planned and worked very hard to save and pay for this home. She has staff that come in to assist her with essential life functions and assure she is safe using the DD Waiver. This was all done at the urging of the County and DHS under the then current program. NOW DHS is changing the program on us, pulling the rug right out from under us with the Waiver Reimagined.

Our understanding is that the current model may consider where a person lives, rather than being based only on individual needs. This is concerning and frankly frightening to us as it looks as though the budget methodology is favoring larger settings. This looks like we are going back to the 1960's and institutionalizing people. Didn't we learn once that is inhumane!

It is very important that services and supports reflect actual needs and allow people to live in the setting that works best for them.

The way the Waiver Reimaged is written, it discriminates!! We respectfully request the Omnibus budget Bill SF4476 include a FULL REPEAL OF WAIVER REIMAGINE legislation.

Thank you for your time and consideration.
Sincerely,
Susan and Dennis Kane
4772 Little Bluestem Trail North
Lake Elmo, MN 55042

UNDERSTANDING 245D HCBS FAMILY RESIDENTIAL SERVICES (FRS) & THE IMPACT OF TIERED RATES 4/16/2026 Julie Steinke, Julie Michels 245D HCSB Adult Foster Care (FRS) Mille Lacs County

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PURPOSE -This is **not a complaint about the current system.**

👉 **The current structure of Family Residential Services is mostly fair. FRS provide these services in our home that we live in.**

👉 **Both hold a 245a & 245D HCBS licenses for up to 4 adults 18 and older who are NOT related to us.**

👉 **This comparison explains how it currently works in DWRS.**

👉 **and what will break under tiered rates.**

CURRENT STRUCTURE: A FAIR BUT TIGHT MODEL

2025 DWRS Rate Component Comparison (Context Only)

Component	**Corporate Foster Care**	**FRS**
Overnight Rate	$11.13/hour	$4.01/hour
Administrative Cost	13.25%	3.30%
Absent/Utilization	3.90%	1.70%
Direct Care Wage	$17.57/hour	$17.57/hour

👉 **FRS operates successfully within these limits today.**

WHAT FAMILY RESIDENTIAL SERVICES PROVIDES

- 24/7/365 supervision — **individuals cannot be left alone**
    - Full, wrap around, hands-on care including transfers, toileting, hygiene, dressing, grooming, feeding and meal preparation, medication administration, transportation, total household care, person centered care, 👉 **This is continuous, high-acuity care in a home**

REALITY OF PROVIDER LIFE

Because individuals **can never be left alone**:

- Providers must hire staff to: Go to doctor appointments, Handle emergencies, Step away for any reason. 👉 **Time off only exists if you can afford staff.**

THE HIDDEN INEQUITY: FINANCIAL REALITY FOR FRS PROVIDERS

Family Residential providers are **excluded from basic financial protections**:

- One service line, one bundled rate
- No tax deductions, cannot claim business expenses on taxes
- No property tax rebates
- Do not pay into or qualify for Social Security through this work. We cannot retire.
- Income not taxed traditionally

👉 Providers accept this **because we serve the people.**
Providers give 24/7 care—but build no retirement, no safety net, and no long-term financial stability.

AFTER being removed from DWRS - (Tiered Rates – System Failure)

❌ Significant funding reduction of 42% or more. Additional $2100 245a licensing fee on top of my current 245d HCBS $1000 licensing fee
❌ Unable to afford staff coverage
❌ No ability for providers to leave for medical care, emergencies, or a day off.
❌ 24/7 care becomes unsustainable
❌ Providers forced to close homes, High-need individuals will lose stable homes & providers lose our full time job and home.

👉 **Nothing about the care changes. Only the funding does.**
👉 **That change to the tiered system is what causes collapse by the end of this year if you (our legislators) choose to do nothing**

The current system works. Tiered rates will break it. If our leaders do not have the will to fight for all individuals with disabilities, they should fight for none and resign.
Julie Steinke/Julie Michels 245D HCSB Adult Foster Care (FRS)/Mille Lacs County

Dear Senate Human Services Committee,

I am writing to respectfully ask for your support in including HF4288 (reference companion bill sf 4310) in the Human Services omnibus bill.

Family Residential Services (FRS) are not simply programs—they are a place to call home. For many people with complex medical, developmental, and behavioral needs, FRS provides the first true sense of stability, safety, and belonging after experiencing gaps or failures in other service models.

During the March 24, 2026 House Human Services Finance and Policy Committee meeting, Representative Mary Franson captured the heart of this issue when she stated, *"We hear a lot about wage theft in this chamber, but I'm thinking today of care theft."* That statement reflects a reality many of us are witnessing unfold in real time.

As a consultant for FRS providers, I have spent 10+ years working alongside teams and attending service planning meetings. I've witnessed firsthand the success stories of people who transition into FRS homes after experiencing inconsistent or ineffective care. So many (along with loved ones) have expressed profound relief and gratitude while sharing how they once feared for their health and well-being.

I would like to share a few examples that illustrate the impact of FRS:

> In 2016, a woman with Friedrich's Ataxia and Type 1 diabetes was receiving in-home PCA services but experienced dangerous gaps in care due to staffing shortages. Because she depended entirely on staff for eating, glucose management, and insulin administration, these gaps posed life-threatening risks. After moving into an FRS home run by 2 sisters and their family-based employees, she received consistent, reliable care from providers who came to know her as a part of their family. She no longer had to wonder whether help would arrive—it was always there. She remained safe and supported until her natural passing in 2021.

A man with cerebral palsy and seizure disorder experienced maltreatment in a CRS setting as his needs increased. After hospitalization and surgical intervention, he was placed in a Nursing Home. He continued to struggle to get out of bed due to fear of how his medical conditions would impede his daily life. In 2018, he found an FRS home with highly trained providers experienced in complex physical care needs. With consistent, knowledgeable support, he regained confidence and independence. Today, he happily goes out in the community, volunteers at the local library, and has reconnected with his personal family's traditions. He is thriving with his FRS providers who know his history, were part of his healing journey, and continue to help him maintain a quality of life he once feared would not be possible again.

> In 2020, a young man with spastic quadriplegic cerebral palsy experienced neglect in a CRS setting due to severe staffing shortages during the COVID-19 pandemic. His complex medical needs required full assistance with all activities of daily living. As care became inconsistent, his physical health declined and he became severely depressed. He required hospitalization for 6 weeks as his medical team struggled to stabilize him. He was then transferred to a Nursing Home for another 6 weeks while his care team sought a service setting close to his family that could meet his care needs. In 2021, he transitioned to an FRS home operated by a husband-and-wife team with trained support staff. With their support, he made a full recovery and has remained stable for years. Today,

he participates in family life, enjoys community outings, and has the support he needs to live a meaningful life. He was even able to fulfill his ultimate dream to attend a Twin's Game!

In 2021, a young woman with multiple psychiatric diagnoses became overwhelmed with trying to maintain her independent living apartment while utilizing a combination of in-home and out-of-home mental health services. As her ability to cope declined, she began to feel that emergency departments and crisis centers were the only places she could go to stay safe. That year alone, she experienced 11 emergency room visits and 5 hospitalizations. During her final crisis center placement, she was connected with an FRS home that included a live-in provider who is a psychiatric nurse. With consistent, professional mental health support in a stable home environment, her ED visits quickly began to decline and she has remained free from a mental health crisis requiring emergency intervention since October 2024. Today, she is working, actively participating in the Special Olympics, and looking forward to beginning her continued education later this year.

In 2024, a woman with developmental delays struggled to manage her health needs in her home despite multiple support services and a loving, involved family. She moved into an FRS home licensed by a registered nurse, supported by his wife (a physical therapist) and his trained staff. Together, they helped her make steady and meaningful progress toward stabilization. She was able to reduce her reliance on medications, implement multiple healthy lifestyle habits, and significantly reduce the number of medical appointments she had. Today, she is able to engage in work and community activities, with her medical needs monitored and managed consistently in her home environment.

These stories are not exceptions—they represent a pattern. *FRS providers fill a critical gap in Minnesota's service system by offering flexible, relationship-based care in a home setting*. This model not only improves quality of life, but also helps prevent traumatizing and costly hospitalizations, institutional placements, and crisis interventions.

FRS providers are held to rigorous 245D licensing and training standards, while also operating as small business owners who live in the homes they provide care in. Their investment is both professional and deeply personal.

FRS homes are the best kept secret in the robust pool of specialized services that Minnesota prides itself in providing to disabled community members. This service model can only be successful when appropriately funded through a rate framework that reflects the true cost of care. HF4288 restores that rate framework.

I urge you to support HF4288 (reference companion bill sf 4310) to protect Family Residential Service Providers, the individuals who depend on them, and the future availability of these homes as a vital option within Minnesota's service system.

Thank you for your time and consideration.

Sincerely,
Autumn Lancaster

Rochester, Minnesota

Dear Senate Human Services Committee,

I am writing to you as a Family Residential Services (FRS) consultant and wife of an FRS/HCBS License Holder who has committed my home, my career, and my life to supporting vulnerable adults in our community.

This work is not shift-based, nor is it based on a 9-5 schedule. It is continuous, year-round care that requires stability, vigilance, and tenacious personal investment. Providers are responsible for the health, safety, and well-being of individuals every single day of the year—365 days—without exception. Vacations, Holidays, Mental Health Days, Sick Days, Family Sick Days, Time off to attend our children's school and extracurricular activities (I could go on but you get the point) are not afforded to us by a simple request card into our "manager." That's actually laughable; I am laughing as I am writing this.

Doing literally anything other than taking care of the prioritized needs of the people we serve is only possible if we can hire, train, and retain qualified professionals to fill our shoes. We have accepted this immense responsibility and this lifestyle knowing that anything less would be considered neglect, as it should. We would be in violation of our licensing requirements and subject to immediate consequences such as conditional licenses, suspensions, revocations, or possibly never being able to serve the disabled community again.

And yet, despite being required to provide continuous, 365-day care, there is now a push to limit billing to only 351 days per year? This is a blatant stance that vulnerable community members are not valued in the state of Minnesota.

We are legally required to not bill for any days in which the individual is not physically present in the home. That safeguard is already in place and ensures accountability. The proposed limitation of billing to 351 days per year, regardless of actual care provided, effectively imposes a second layer of uncompensated time. It creates a redundant reduction. It is not simply a matter of oversight or efficiency; it is a policy that forces providers to absorb the cost of care they are still fully and legally responsible for delivering.

To expect providers to remain on duty, maintain staffing, ensure safety, and uphold licensing standards—while knowingly withholding compensation for days worked is, frankly, abhorrent. It disregards the reality of this role and the level of responsibility it demands.

FRS providers are not large institutions. We are individuals and families who have made the decision to share our homes, sacrifice our privacy, and take on an immense level of responsibility to ensure that vulnerable adults are safe, stable, and supported. When reimbursement structures fail to reflect the full scope of that responsibility, it places the

entire system at risk. Providers burn out, homes close, and the individuals who rely on consistent caregivers are the ones most impacted.

Our welfare system exists to serve vulnerable adults with dignity and consistency. Policies like this undermine that purpose by placing unsustainable pressure on those delivering the care.

I urge you to oppose any limitation that restricts billing to 351 days and instead support policies that reflect the full reality of 365-day care. Fair and consistent reimbursement is not an excess—it is essential to maintaining safe, stable, and high-quality services.

Thank you for your time and your consideration of this critical issue.

Sincerely,
Autumn Lancaster

Rochester, MN

Dear Senate Human Services Committee,

I am writing in strong support of SF 4476, SF 4310, and HF 4288 on behalf of my client, an individual currently residing in a Family Residential Services (FRS) home.

Through my representation, I have had the opportunity to observe the significant impact that stable, consistent, and well-trained caregivers have on individuals receiving care in this setting. Prior to placement in an FRS home, my client and their family experienced ongoing challenges in securing care that adequately met their needs. Since transitioning to an FRS environment, those challenges have been replaced by stability, safety, and an overall improvement in well-being.

The caregivers providing services are not only qualified professionals, but also consistent and compassionate individuals who have developed a deep understanding of my client's specific needs, preferences, and daily routines. This continuity of care has fostered an environment in which my client can thrive, develop meaningful interpersonal connections, and maintain a higher quality of life. It has also provided reassurance to the family that their loved one is receiving attentive and informed support.

Family Residential Services represent a highly personalized and cost-effective model of care. This model promotes stability, minimizes disruption, and supports the development of long-term relationships, all of which are essential for individuals who depend on ongoing daily assistance. Legislative efforts that preserve and strengthen this model are vital—not only for those currently receiving services, but also for others across the state in need of dependable, high-quality care options.

For these reasons, I respectfully urge your support of SF 4476, SF 4310, and HF 4288. These measures are an important step toward sustaining a model of care that is demonstrably effective and impactful for individuals and their families.

Thank you for your time and consideration, and for your continued commitment to supporting vulnerable members of our community.

Sincerely,
Peggy Teigen
guardian agent

Independent Management Services

101 21st SE

Austin, MN 55912

Outlook

FRS Home

From Charles Feld <jjhfeld@gmail.com>
Date Thu 4/16/2026 11:40 AM
To Autumn Lancaster <autumn@bpamn.com>

Dear Senate Human Services Committee,

I am writing to express my strong support for SF 4476, SF 4310, and HF 4288.

As a family member of a loved one who resides in a Family Residential Services (FRS) home, I have seen firsthand the profound difference that stable, consistent, and knowledgeable caregivers make in a person's life. Prior to this placement, our family faced ongoing uncertainty in finding care that truly met my loved one's needs. Since moving into an FRS home, that uncertainty has been replaced with a sense of safety, trust, and genuine well-being. I don't worry about my brother, Joe. He is treated like a family member and has blossomed both physically and mentally while living in a FRS home.

The caregivers in this setting are not only trained professionals; they are consistent, compassionate people who understand my loved one's unique needs, preferences, and routines. That consistency has created an environment where my loved one can thrive, build meaningful relationships, and experience a higher quality of life. It has also brought peace of mind to our family, knowing that they are supported by people who truly know and care for them. While myself and Joe's mom live in the Twin Cities, Joe resides in Rochester. With an elderly mom, we can't visit as much as we'd like to. However, we always are confident that birthdays and holidays will be celebrated as if we were there as well. We receive pictures and updates when we have to be absent from a holiday or birthday gathering.

FRS provides a model of care that is deeply personal and cost-effective. It supports stability, reduces disruption, and fosters long-term relationships that are essential for individuals who rely on daily support. Policies that strengthen and sustain this model are critical—not only for individuals currently receiving services, but for families across our state who are seeking reliable, high-quality care options.

I respectfully urge you to support SF 4476, SF 4310, and HF 4288. These bills represent an important step toward preserving and strengthening a care model that is working—and that is making a meaningful difference in the lives of individuals and families like mine. My brother was not thriving in his former living situation. When we found Beacon Alliance, it was a true blessing to our family. Joe is happy, loved and nurtured everyday. His rapport with the staff is a delight to witness. This is the kind of care that every vulnerable person deserves.

Thank you for your time, your leadership, and your commitment to supporting vulnerable individuals in our communities.

Sincerely,
Laura Feld, sister and guardian
Rochester

jjhfeld@gmail.com

Dear Senate Human Services Committee,

I am writing to express my strong support for SF 4476, SF 4310, and HF 4288.

As a family member of a loved one who resides in a Family Residential Services (FRS) home, I have seen firsthand the profound difference that stable, consistent, and knowledgeable caregivers make in a person's life. Prior to this placement, our family faced ongoing uncertainty in finding care that truly met my loved one's needs. Since moving into an FRS home, that uncertainty has been replaced with a sense of safety, trust, and genuine well-being.

The caregivers in this setting are not only trained professionals; they are consistent, compassionate people who understand my loved one's unique needs, preferences, and routines. That consistency has created an environment where my loved one can thrive, build meaningful relationships, and experience a higher quality of life. It has also brought peace of mind to our family, knowing that they are supported by people who truly know and care for them.

FRS provides a model of care that is deeply personal and cost-effective. It supports stability, reduces disruption, and fosters long-term relationships that are essential for individuals who rely on daily support. Policies that strengthen and sustain this model are critical—not only for individuals currently receiving services, but for families across our state who are seeking reliable, high-quality care options.

I respectfully urge you to support SF 4476, SF 4310, and HF 4288. These bills represent an important step toward preserving and strengthening a care model that is working—and that is making a meaningful difference in the lives of individuals and families like mine.

Thank you for your time, your leadership, and your commitment to supporting vulnerable individuals in our communities.

Sincerely,
JoAnn Volker

Rochester, Minnesota

Guardian of a vulnerable adult

Dear Senate Human Services Committee,

I am writing to express my strong support for SF 4476, SF 4310, and HF 4288.

As a family member of a loved one who resides in a Family Residential Services (FRS) home, I have seen firsthand the profound difference that stable, consistent, and knowledgeable caregivers make in a person's life. Prior to this placement, our family faced ongoing uncertainty in finding care that truly met my loved one's needs. Since moving into an FRS home, that uncertainty has been replaced with a sense of safety, trust, and genuine well-being.

The caregivers in this setting are not only trained professionals; they are consistent, compassionate people who understand my loved one's unique needs, preferences, and routines. That consistency has created an environment where my loved one can thrive, build meaningful relationships, and experience a higher quality of life. It has also brought peace of mind to our family, knowing that they are supported by people who truly know and care for them.

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I respectfully urge you to support SF 4476, SF 4310, and HF 4288. These bills represent an important step toward preserving and strengthening a care model that is working—and that is making a meaningful difference in the lives of individuals and families like mine.

Thank you for your time, your leadership, and your commitment to supporting vulnerable individuals in our communities.

Sincerely,
Lena Moe
Duluth MN
507-513-1278

Dear Senate Human Services Committee,

I am writing to express my strong support for SF 4476, SF 4310, and HF 4288.

As a family member of a loved one who resides in a Family Residential Services (FRS) home, I have seen firsthand the profound difference that stable, consistent, and knowledgeable caregivers make in a person's life. Prior to this placement, our family faced ongoing uncertainty in finding care that truly met my loved one's needs. Since moving into an FRS home, that uncertainty has been replaced with a sense of safety, trust, and genuine well-being.

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FRS provides a model of care that is deeply personal and cost-effective. It supports stability, reduces disruption, and fosters long-term relationships that are essential for individuals who rely on daily support. Policies that strengthen and sustain this model are critical—not only for individuals currently receiving services, but for families across our state who are seeking reliable, high-quality care options.

I respectfully urge you to support SF 4476, SF 4310, and HF 4288. These bills represent an important step toward preserving and strengthening a care model that is working—and that is making a meaningful difference in the lives of individuals and families like mine.

Thank you for your time, your leadership, and your commitment to supporting vulnerable individuals in our communities.

Sincerely,
Kyra Moe
Fresno, CA
Kyramoe02@gmail.com

Dear Chair and Members of the Senate Human Services Committee,

My name is Troy Howland, and I am a Family Residential Services (FRS) provider in Minnesota.

I want to provide a clear example of the real impact of these rate changes.

As of April 1, 2026, one of my residents was reduced from $431.41 per day to the flat rate of $254.06—a 41% reduction. At the same time, during county processing, she was temporarily assigned to Community Residential Services (CRS) at a rate of $553.84 per day.

This highlights the issue directly: if I cannot continue providing care under the reduced FRS rate, she will move to CRS where the state will pay significantly more than her original rate.

That CRS rate is the low end. In that setting, staff turnover leads to increased agitation and behavioral escalation, requiring more staffing, case management, and interventions. She has previously been in CRS, and that placement was not successful for these reasons.

As an FRS provider, I am required to meet the same licensing standards as corporate providers, including staffing, administrative, and operational requirements, yet the flat rate does not reflect the true cost of meeting those obligations.

This is not a cost savings—it is a cost increase.

In addition to higher costs, she will lose the stability, independence, and progress she has built over the past six years in our home.

I respectfully ask that you maintain the DWRS framework for FRS to prevent unnecessary cost increases and avoid disrupting stable, successful placements.

Thank you for your time and consideration.

Sincerely,

Troy Howland

April 16, 2026

Attention: Senator John Hoffman and the Department of Human Services Committee
Re: SF 4476 Omnibus Budget Bill

Dear Senator Hoffman and DHS Committee Members,

Please fully repeal Waiver Re-Imagine.

I served 3 years on the Waiver Re-Imagine Taskforce. Our vision was well intended and simple. However, Waiver Re-Imagine is set to devastate our most vulnerable. DHS continues to move forward without input from stakeholders and will not address the many unintended consequences that are clearly part of this plan.

It is irresponsible to allow waiver changes to happen on such a large scale when there are ongoing investigations and lawsuits. Waiver Re-Imagine creates an environment where true choice and independence are lost for those who are successfully living with those options today.

IT WAS 7 YEARS AGO THAT I TOLD SENATOR HOFFMAN THAT OUR CURRENT WAIVER PROGRAM IS WORKING WELL AND NOW WAIVER RE-IMAGINE IS GOING TO SCREW IT UP!

He told me to 'take that message forward'. So I did by joining the taskforce and continuing to advocate through educating the legislature.

I give you 4 reasons which support my opinion:

1. **Waiver Re-Imagine Advisory Committee feedback after 3 years of service:**
    a. *WRAC family member Consensus: Members with lived experience were strongly opposed to a two-waiver model tied to living setting. Individual Budgets Tied to Living Setting*
    b. *Consensus: Members overwhelmingly opposed budgets linked to living setting*
    c. *We asked for reconsideration of waiver structures that may unintentionally restrict choice, equity, and community integration, but were ignored.*

2. **DHS has proven that they cannot successfully implement new programs without significant trouble and/or fraud.**

3. **What can Minnesota expect if Waiver Re-Imagine is approved? Lawsuits!**

    There are numerous lawsuits happening across the country after states have implemented the 2 waiver system as recommended by HSRI. (DHS has used HSRI as the lead consultant since 2018)

4. **Your committee has already heard from stakeholders last session. Legislative testimony, 75 letters opposing Waiver Re-Imagine and the design and structure https://www.house.mn.gov/comm/docs/gEH40c4bt0KPCv-lHQE81g.pdf**

Thank you for your time and consideration.

Lisa Evert
Faribault, MN
Parent to a child using waiver services for 25 years
Three year member of the WRAC
Voice for outstate MN
507-330-3315

My name is Stephanie Mox, and I am here today to oppose SF 4476, specifically further cuts to FRS Services.

Years ago I heard the disability services system described as a pendulum, with those of us in the system hoping that, on the backswing, things do not go "all the way back". We know that when budgets are tight, the focus shifts, and individuals with disabilities—as well as those who support them—lose adequate resources to sustain the systems that help people succeed. In my 30-year career – this is the biggest backswing I have witnessed.

For nearly 20 years I have supported FRS Providers on the 245D side. As I became more involved with these services it became clear that the job of a FRS Provider is more invasive and demanding than any other, imagine never leaving your "job". The role requires a special kind of person and considerable sacrifice. Yet, the outstanding providers I have worked with give naturally and remain on call through illnesses, vacations and holidays.

On the other side of these teams are the individuals receiving services; they are the true beneficiaries of this type of service. Under the new tier system, I worry that this successful system could collapse without a solution to the tier system, which does not compensate providers at a level that meets minimum wage.

At Companion Linc, we support a group of FRS providers who dedicate themselves to those living in their homes. I want to share some powerful numbers based upon our providers' compensation.

- Overall, our providers will lose an average of 30% of their income with the implementation of the tier system.
- Providers serving more than one person will lose 15% of their income, while those serving only 1 person will lose an average of 47% of their income.
- As an agency supporting these providers, Companion Linc will lose nearly $8,000 every two weeks due to the cuts resulting from the implementation of the tier system. We are unsure if we will be able to make sufficient cuts to our overhead to allow us to continue to provide these supports.
- The proposed additional cuts of 25% would be devastating.

Please vote to refuse further cuts to FRS Services and include SF 4310 in the Omnibus Bill. Help this service survive the cuts until the pendulum returns to supporting individuals with disabilities without sacrificing the financial well-being of those dedicated to offering support. Thank you for your time.

Cole Bostrom
13680 Riverview Dr. NW
Elk River, MN 55330
04/16/2026

Sam Parmekar
Minnesota Senate Building
95 University Ave W
Saint Paul, MN 55155

Dear Members of the Senate,

My name is Cole Bostrom, and I am a licensed Adult Foster Care provider in Minnesota. I provide direct, in-home care to individuals with severe and persistent mental illness. I am writing to express serious concern regarding the recently implemented tiered rate system and its impact on FRS providers and the individuals we serve.

The current rate structure does not accurately reflect the level of responsibility and regulatory compliance required of Family Residential Service providers. FRS homes are held to the same standards, expectations, and oversight as corporate foster care settings. However, unlike corporate providers, we do not operate on a shift model. We provide care 24 hours a day, 7 days a week, within our own homes. We are solely responsible for all aspects of care, including staffing, programming, crisis response, documentation, transportation, and maintaining a safe and therapeutic environment.

This is not simply a job—it is a full-time, around-the-clock commitment that extends far beyond what the current reimbursement rates recognize.

Family Residential Services consistently provide a higher quality of care due to the individualized, one-on-one attention clients receive. Individuals living in FRS homes experience a more normalized, family-oriented environment, which promotes stability, skill-building, and long-term independence. This model is not only more humane, but it is also highly effective in producing positive outcomes for individuals with complex needs.

The recent rate cuts resulting from the tiered system are not sustainable. They place significant financial strain on providers who are already operating with limited margins. If this system is not reevaluated and adjusted, many FRS providers will be forced to close their homes.

The consequences of these closures will be severe. Clients will be displaced from stable, long-term placements and transitioned into corporate foster care settings. These settings are often more costly to the state due to staffing structures and overhead expenses. In effect, the current policy risks increasing overall system costs while simultaneously reducing the quality and personalization of care.

This is not a cost-saving measure—it is a cost shift that undermines a proven and effective model of care.

I urge you to revisit this legislation and implement a rate structure that more accurately reflects the true scope of services provided in Family Residential Settings. FRS providers are a critical part of Minnesota's care system, and without immediate action, we risk losing a model that benefits both individuals and the state as a whole.

Thank you for your time and consideration.

Sincerely,
Cole Bostrom

Jordan Bostrom
13680 Riverview Dr. NW
Elk River, MN 55330
04/16/2026

Sam Parmekar
Minnesota Senate Building
95 University Ave W
Saint Paul, MN 55155

Dear Chair and Members of the Committee,

I am a licensed Adult Foster Care provider in Minnesota, and I am writing to express urgent concern about the recently implemented tiered rate system and additional policy discussions that will have serious consequences—not only for providers, but for the individuals who rely on these services every day.

AFC/FRS providers are held to the same regulatory standards as corporate foster care settings, yet we operate under an entirely different model. We provide 24/7 care in our own homes, usually without shift staffing, administrative teams, or organizational support. We are fully responsible for all aspects of care, including staffing, supervision, documentation, crisis response, and maintaining a safe and stable home environment.

In addition, providers must carry their own insurance, absorb household and operational costs, and remain in full compliance with licensing requirements. We do not receive paid leave. When we need time off—for illness, emergencies, or even basic rest—we must hire qualified staff and pay them out of our own pocket. Despite these realities, the new tiered rate system has significantly reduced funding in a way that does not reflect the intensity or scope of care being provided.

Beyond the rate changes, I am deeply concerned about discussion regarding limiting billing to less than 365 days per year, based on the assumption that individuals will regularly return home or spend extended time with family.

This assumption does not reflect the reality of the population we serve.

Many individuals in Family Residential Services require consistent, around-the-clock staffing, medical oversight, and structured support. A significant number do not have family members available, and in many cases, families are not equipped to safely meet their needs. Even short visits often require coordination, staffing support, and careful planning. The idea that individuals can routinely leave their placement for extended periods is simply not feasible for most clients.

Policies built on this assumption risk creating gaps in care, destabilizing placements, and placing unrealistic expectations on families who may already be overwhelmed or unable to provide the level of care required.

While these challenges are substantial for providers, the most serious impact is on the people we serve.

Family Residential Services offer something that cannot be replicated in larger, shift-based settings: consistency, stability, and genuine relationships. Individuals in FRS homes receive personalized, one-on-one support in a family environment. They build trust, develop life skills, and experience a sense of belonging that is critical to their growth and well-being.

The current rate cuts, combined with proposed billing limitations, are putting these homes at risk of closure. If FRS providers are forced to shut down, clients will not simply "transition" smoothly—they will be displaced from homes where they feel safe and supported. Many of these individuals have complex needs and histories of instability. Being moved into larger, corporate settings can be highly disruptive, leading to regression, increased behavioral challenges, and emotional distress.

This is not just a systems issue—it is a human issue.

Disrupting stable placements can undo years of progress. It can increase hospitalizations, crisis interventions, and overall system involvement—ultimately costing the state more while delivering less individualized care.

I urge you to reevaluate both the tiered rate system and any proposed billing limitations, and to implement policies that reflect the true needs of the individuals being served. Without meaningful changes, Minnesota risks not only losing providers—but failing the very people this system is meant to support.

Thank you for your time and consideration.

Sincerely,

Jordan Bostrom

April 16, 2026

Subject: SF4476 – Waiver Reimagine

Chair Hoffman and Members of the Senate Human Services Committee,

I am writing regarding SF4476 and Waiver Reimagine, and I respectfully urge you to include a full repeal of Waiver Reimagine in the final Omnibus budget bill.

A delay, regardless of length, is not a sufficient solution. The Waiver Reimagine budget model bases individual budgets on a person's living setting rather than their actual needs. This raises serious concerns about whether it aligns with federal requirements that services be determined by individualized need.

I am a Minnesota parent with a disabled child being supported by waiver services. It is critical that services and supports reflect actual needs and allow people to live in the setting that works best for them.

Beyond these concerns, the current design creates troubling incentives. Tying funding to residential settings risks encouraging more restrictive and institutional forms of care over community-based living, which runs counter to person-centered planning and the goal of supporting individuals in the least restrictive environment.

Experiences in other states using similar models have shown implementation challenges and service disruptions. Moving forward with a model that has already demonstrated these risks is likely to create avoidable harm for individuals and families.

The Waiver Reimagine budget framework is not simply in need of adjustment—it is fundamentally flawed in its design. Moving forward with this model, even on a delayed timeline, will not resolve the core issues.

For these reasons, I strongly urge you to include a full repeal of Waiver Reimagine in SF4476.

Thank you for your time and consideration of this critical issue.

Sincerely,

Jessica Klick

Maple Grove, MN

To Human Services Committee Members:

As parents of an adult male currently living in a Family Residential Service (FRS) home, we are writing to express our deep concern regarding the recent funding cuts to these programs.

Our son's safety, quality of life, and behavioral management depend on the stability and consistency provided by the FRS environment. In the past, corporate settings failed to provide the qualified staffing necessary to manage his needs. However, over the last five years in an FRS home, he has been supported successfully.

Our son requires significant staffing to prevent injury during episodes of physical aggression. Reducing funding by 67% or more makes it impossible to hire and retain the qualified staff essential for a safe environment. These drastic cuts will inevitably lead to a lower quality of life for residents and burnout for foster parents.

We urge you to reconsider these measures and explore less severe alternatives that do not jeopardize the well-being of our son and others who rely on these services.

Sincerely,

Carroll and Leanne Paananen
Guardians
lcpaananen@gmail.com

April 16, 2026

Senators

Minnesota State Capitol / Minnesota Senate Building

St. Paul, MN 55155

Honorable Senators,

I am in support of SF 4310 Family Residential Services Rate Reenactment

My name is Camille Raymond and I live and work in Lyon County, Minnesota. I am writing to urge your support for HF 4288 and SF 4310, which would restore framework rates for Family Residential Services (FRS) under the Disability Waiver Rate System.

I not only work specifically with the disability population as my chosen career, but I also have friends that serve a young adult with disabilities in their home within the FRS framework, Cedar Hills Foster Care (Greg and Becky Bosl).

I am deeply concerned that the significant changes within the FRS rates along with the changes to other group home living scenarios for those in MN. These living situations will have a ripple effect on the overall quality of life for Minnesotans with disabilities.

I have already started to see the impact that some of these cuts can have on the people I serve in MN that have disabilities. I have heard the statement for years “we are short on beds”, meaning, there aren't enough resources for all who are in need, whether that was group home/FRS placement or mental health assistance after someone had a crisis. There are not enough resources for this population the way it is, please don’t make it even more difficult for people with disabilities to get the things they need for a positive quality of life.

Up until this point in time, I have heard many people commend MN for being a great state that helps people with disabilities. I have had people from this population tell me that they specifically moved to MN because we have great resources for our disability population. If we truly care about our fellow Minnesotans with disabilities, then we will continue to help fund the resources and assistance that actually matter and benefit their overall quality of life.

Family Residential Services provide 24-hour care to some of Minnesota's most vulnerable residents in small, home-based settings. The framework rate methodology ensured that funding was tied to each individual's assessed care needs. The flat tiered rate system that replaced it does not account for the actual cost of care, and it threatens to close an estimated 70% of FRS providers statewide.

If these homes close, approximately 3,300 individuals will need to be placed elsewhere. Many of them have lived in their current homes for years. Displacement from a stable home is not just disruptive. For individuals with complex disabilities, it can be medically dangerous and psychologically devastating. Minnesota does not have the capacity to absorb these individuals into other settings and forcing them into institutions would violate the Olmstead Decision.

HF 4288 and SF 4310 restore a system that was already working. This is not new spending. It is a correction that ensures funding matches the real cost of individualized, community-based care.

I respectfully ask that you support the inclusion of HF 4288 / SF 4310 in the Human Services Omnibus bill or support its passage as a standalone bill. These are real people in real homes, and they need the Legislature to act.

Thank you for your time and consideration.

Sincerely,

Camille Raymond

325 6th Street; Tracy MN 56175

Dear Honorable Chair Hoffman, Bill Author Senator Lieske, Co-Authors Senators Rasmusson and Hoffman,
and Committee Members:
Thank you for your service to all Minnesotans. My name is Tami Lubowitz, from St Cloud, MN. I add to the collective pleas of fellow Family Residential Services (FRS) Providers. As a Member of ARRM, I submit my letter to you today on behalf of the Disability Community we serve. I am concerned for the negative impact of the Governor's Budget. I appreciate your attention to our written and live testimonies, in support of SF 4310, MARSH Framework Reenactment.

As Family Residential Services (FRS) Providers, our business is serving and caring for **REAL HUMAN BEINGS**, **individuals from our MN communities with various complex medical, physical, cognitive, and serious & persistent mental health disabilities, not related to us, yet living as a family, in our personal home.**
I was recently compelled by an encouraging statement Chair & Co-AuthorHoffman made in Committee last month to "remember WHY I do what I do".Since 2014 from our little corner of the world in St. Cloud, I have experienced firsthand the life-changing impact of providing high-quality, person-centered residential supports and advocacy, for 19 women living in our home, at various times. They are Vulnerable Adults, who are under-represented and marginalized Minnesotans. I respectfully urge you to SUPPORT **SF 4310**. This Bill reenacts Framework Rates for Family Residential Services (FRS) in 2027, ensuring these vital services remain under the proven Disability Waiver Rate System (DWRS),like all the other groups that provide Waiver Services and compliance, instead of creating another "DHS System failure" de-funding FRS with the Flat tiered-rate.
As Family Residential Services Providers, our "WHY" is also doing the work others consistently comment "I could NEVER do what you do!" and are unable/unwilling to do. The people I support live in my family, not a facility. That stability matters.

I have deep concern the Governor's Budget, especially proposed clawback to Flat Rate Tiers -25% is crushing honest Family Residential Services (FRS) providers by defunding a program that provides housing stability, critical stability, trauma-informed care, and intensive, individualized, supportive habilitation services to thousands of Disabled & Vulnerable Adults. I'm also concerned there is a serious disconnect that cannot be explained to you in a 2 minute sound bite, yet MARSH's Senate Packet addresses thoroughly and professionally. You cannot promise integration, independence, and person-centered care and then underfund the very services that make it possible.

Our FRS has been able to prevent unnecessary institutionalization and hospitalizations of those ladies we've served over the decade. Please ask yourself

"Who would continue doing the same amount of work including all the required responsibility, training, & compliance while compensated 41+% LESS pay, yet paying increased costs/ expenses to provide services, especially licensing fees, etc?" I cannot live off of accolades. We don't even qualify for any of the "essential" or workforce incentives gifted to many others in recent years.
This Flat tiered-rate was passed in 2023 to take effect on January 1, 2026, ultimately de-funding Minnesota's Vulnerable Adults living in Family Residential Services homes. FRS is considered an Intensive Service, not a Housing Model. Eliminating DWRS as a methodology of payment for those we serve means reducing their services, quality of life, opportunities to access the community (integration, activities, programming) and potentiallychoice of housing. These dollars are not my take home pay. This is programming costs. Two specific examples of those de-funded person-centered categories, based on 2025 DWRS values include: Transportation for Standard vehicle$2113.36/ Adapted Vehicle With Lift $3,773.84 AND Client Programming and Supports $2741.07. Categories cover annual costs to provide participants access to the community or care in their home, including regular supplies & equipment. Examples include, but are not limited to: Supplies and equipment not available through MA state plan or other waiver services; Participation costs for staff;Reinforcers as defined in the participant's support plan. Many times I've heard this Committee value and reference "Continuity of Care". Without **SF 4310**, Minnesota's FRS providers, who deliver 24/7 care to individuals with significant disabilities in family settings, will face unsustainable flat rates that ignore medical and mental health complexity, real time behavioral challenges, aging needs, and individualized staffing requirements. **SF 4310 MARSH Framework Reenactment** returns Framework Rates and Rate Exceptions that we can attest make true person-centered "Continuity of Care"possible.
The personal impact to our FRS: 2026 rates have been reduced by 47% to do the same work with same compliance requirements, while paying increased licensing and other fees. I have already had to dismiss 2 Part-Time employees, the only Supplemental Supports that provided my husband & I limited support for needed time off, emergencies, our own medical/ self-care needs. Cutting DWRS rates by implementing the Flat tiered system is already creating chaos and disrupting"Continuity of Care" for many Vulnerable Adult Minnesotans. Providers across the state, like me will be forced to reduce services, dismiss support staff, or close entirely. The result will be disrupted lives, increased hospitalizations, higher state costs for more expensive corporate, institutional, individual placements, and families left without options.

4/14/26 I met with a former Stearns County Case Manager with 30 years experience. She is appalled at what has happened to Licensed 245D FRS Waivered Services Providers since her medical leave from the county 6 years ago. She'd previously place 4 ladies in our home, all with complex serious & persistent mental

health diagnoses. She said Case Managers know the value of having FRS Providers as an Intensive Services option/ choice for people they provide housing support & relocation services for, yet they are "gagged" by their counties/ supervisors and not allowed to offer feedback to Legislators.

Legislative leaders need to hear and understand:

- *What it actually takes to support individuals living with Disabilities in family settings*
- *How policy decisions impact stability, staffing, and quality of life for individuals living with Disabilities*
- *Incredible wage disparity between FRS Flat Tiered-Rate vs DWRS Framework Rate*
- *This is unequal weight measures for FRS compared to CRS and Life Sharing. Who benefits from FRS being de-funded?*

SF 4310 offers a straightforward, targeted solution: it simply reenacts the Framework rates that have successfully supported FRS under DWRS. This is not a new program or major spending increase — it is a common-sense solution to prevent a crisis already looming for hundreds of Minnesotans with disabilities and the families and Direct Support Professionals who support them.

Thank you Committee Members for your time and valuable work at the Legislature, for leadership on Human Services issues, and for protecting Vulnerable Minnesotans. I sincerely appreciate your support of our individual and collective effort to communicate this important message to you, that our voices would be heard by those elected to represent us.

*I ask that you please **SUPPORT SF 4310MARSH Framework Reenactment** so that Family Residential Services can get back to doing our important work under the effective DWRS framework that works.*

Tami Lubowitz ,

ARRM Member in support of MARSH Framework Reenactment
The Way Home, LLC

1292 10th Ave North

St. Cloud, MN 56303

320-345-1367

Tami Lubowitz
C: 320-345-1367
Eph 3:20 Immeasurably more!

Nikol Jones
1007 E River St
Monticello, MN 55362

16 April, 2026

Honorable Senators,

My name is Nikol Jones, and I am an employee at a small Family Residential Services home in Wright County. For years, I have had the privilege of caring for senior women who rely on us every day—not just for medical support, but for dignity, comfort, and a true sense of home in the final chapter of their lives. I am deeply concerned that the Governor's proposed budget changes will force our home to close. If we are limited to billing for only 351 days a year, despite providing care 365 days a year, and if funding is reduced even further after the recent transition to a flat rate, we simply will not be able to sustain operations.

I want to share what this care really looks like. We are with our residents around the clock, every day of the year. We help them bathe, dress, and feel like themselves—down to curling their hair each morning and providing a beautiful home with gardens on the Mississippi River. They are also accompanied to every medical appointment. Because of this level of one-on-one attention, we've seen outcomes that have even surprised doctors—residents regaining mobility and, in a number of cases, even improving enough to leave hospice care.

This is not something that can be replicated in a larger facility. Our home is calm, personal, and deeply human. The women here are not just patients—they are family. We call them our "grandmas".

If our home closes, these women will be displaced from the environment they know and trust during their most vulnerable time. The transition alone would be confusing and traumatic, especially for those with memory loss. They would likely be moved into larger, less personal facilities where they cannot receive the same level of individualized care.

I respectfully ask you to consider the real-life impact of these proposed changes. Please protect Family Residential Services homes like ours so we can continue to serve those who depend on us. Without your support, not only will I lose my job, but the women currently in our care and an untold numbers of future clients, will lose the home that means everything to them.

Thank you for your time and your consideration.

Sincerely,

Nikol Jones

Dear Chair Hoffman and Members of the Committee,

My family strongly supports the repeal of Waiver Reimagine as outlined in the A-1 amendment to SF 4476. Along with other stakeholders, we have been reading, monitoring, and providing feedback to DHS and participating in public conversations about Waiver Reimagine since 2017. We have consistently expressed concerns about a 2-waiver system based on where a person lives. DHS has been unable to definitively respond to our questions and concerns, which is alarming since implementation was scheduled to begin in less than a year.

Without answers, planning support for those with the highest level of needs is impossible. For context, 15 years ago, our family bought a duplex so David, my 39-year-old son with multiple disabilities, could move to his own home while we lived upstairs and could be actively involved in his transition, provide unpaid caregiving, and ensure that he had the necessary services to transition to independent living with supports. Our son has a CAC waiver (hospital level of care) and uses Consumer Directed Community Supports with a budget that is a fraction of the cost of the 24-hour care he would require in a traditional residential facility.

We had always believed if we provided everything we could while we were healthy and able, we could rely on formal residential services in my son's duplex when we were not able to provide the majority of his supports. But under the Waiver Reimagine proposal to assign $$ based on where someone lives, what provider would serve him at home when they could get 3 or more times the funding in a facility they owned? And what provider, with proposed budget cuts and no exceptions process, will take the most complex medically involved individuals?

DHS has insisted that Waiver Reimagine was designed with significant input from stakeholders. Where are these invested stakeholders at any of the many hearings? I've attended or monitored almost every one and have only seen stakeholder testimony expressing grave concerns. The only attempt to mitigate harm to my son and his peers was SF 3757, the proposed legislation from disability advocacy organizations (The Arc, Autism Society of Minnesota, Disability Voice Advocates), which states that budgets cannot be reduced by more than 10% without a decrease in support needs. DHS countered that the legislation was not implementable, again derailing any safeguards for disabled individuals like my son.

Repeal and use our experiences to improve the waiver system without yanking our family members' safety nets. Most of us would be more than willing to work with DHS to identify the services we receive now and help create what needs to exist. We would welcome visits to the residences we have created and discussions about how we did it and what we need. We are here; our adult children are getting the supports they need in the best individualized settings; and we are saving the system hundreds of thousands of dollars each person, each year.

Sincerely,

Jean Bender
1150 Fairmount Avenue
Saint Paul, MN 55105
Jean.bender@comcast.net

Honorable Senators,

I have been honored to work in a family residential service home for many years. This home has provided care far and above in both quality and quantity that would be provided to residents of a nursing home. I am grieved to say that if the governor's proposed budget cuts were to pass, this home would have to close. I urge you to reject these cuts, and preserve personalized, high-quality care for those who need it most in Minnesota.

Sincerely,
Erika Jones

I want to thank this Committee for all the hard work that you have done this year. I know your task is not easy.

My name is Mary Jo Then and I am a Family Residential Services Provider in Morrison County MN. I have 3 high medical individuals living in my home with me.

I would like to talk about Family Residential Services (FRS). Recently CMS approved Family Residential Services move out of the DWRS to a Tier Rate or Flat Rate. This change happened 4/1/2026. Last year to help offset the loss in financial support there was a 25% increase in the rate.

The Governor has proposed taking away that 25% increase.

For my home that decrease from DWRS rates to the Flat rate is significant. That is a decrease in $215 for just one of my people. If the Governor's proposal of taking away that 25% increase, I will have a decrease of $295 a day.

I will not be able to stay open, I will need to close my home, and the three individuals will need to be placed somewhere else. I have taken care of two of the individuals in my home for over 14 years. I am not sure I will be able to stay open on the Flat rate with the 25% increase but if that 25% is also taken away I will need to close.

Moving the Family Residential Services to the Teir rate or Flat rate was to save the State money. Yes, it will save money under the Family Residential Services budget, because many homes will have to close. But other budgets will increase due to the fact that living in a Family Residential Services home is cheaper than living in a CRS or Nursing Home.

I beg of you DO NOT CUT Family Residential Services more.

Thanking you

Mary Jo Then

Honorable Senators,

I am an employee at a Family Residential Service Home for seniors, and I have been informed of upcoming funding cuts to these homes, in addition to the ones already passed. I have worked at this senior care home for over 10 years, and management is now facing the possibility of closing doors. I am extremely distressed about these cuts because of the critical service homes such as ours provide to vulnerable adults.

I have watched as people come to this home in very poor shape, either from being cared for by family or a larger facility. Families do the best that they can, but it is rarely sufficient due to their lack of knowledge and/or resources. Regarding larger facilities, patients fall through the cracks from neglect by workers who, due to the overwhelming responsibility of having too many patients assigned to them, cannot meet their most basic needs. My manager had to listen to the devastating grief of one lady whose mother died of bed sores at a nursing home.

Stories like this are common. Family Residential Service Homes are a way out for families who do not want to put their parents into such situations. The foster home I work at has a high enough caregiver-patient ratio so that needs can be properly addressed. I can truly say that if you cut spending to facilities such as these, there will be blood on your hands. I can't put it any other way considering everything I have witnessed in this line of work. Thank you for your consideration in this matter. Please be the voice of the vulnerable.

Sincerely,
Amber Jones

April 16, 2026

Dear Chair Hoffman,

My name is Samantha Phillis, I am a pediatric home care nurse, leader of Minnesota's Little Lobbyist's Chapter, and most importantly, Mom to Lydia (9), Nora (7), Rose (5), and Aria (2). We live in Mankato, Minnesota. Three of my children rely on Home and Community Based Services (HCBS) through Medicaid to thrive and live in our community. Lydia is in the CFSS (Community First Services and Supports) Program due to Autism, Nora receives the CAC (Community Alternative Care) waiver, and Aria is a recipient of the CADI (Community Access for Disability and Inclusion) waiver. My children directly represent the unique needs of people with disabilities and why the waiver system in Minnesota was designed the way it was. Each person has needs that are unique and that need to be taken into account when determining a budget for their waiver. I'm writing today to urge you to repeal the Waiver Reimagine legislation in its entirety, as there is no way to change it to serve the people of Minnesota in a way that is legal, safe, and ethical.

Due the US Supreme Court's Olmstead Decision in 1999, each person with a disability has the right by law to choose where they want to live. The Waiver Reimagine program would completely undermine this because not only would it discriminate against those who choose to remain in their homes, but it would also significantly cut the budgets for the most vulnerable recipients, those like my daughter Nora, who rely on the CAC waiver and a hospital level of care for their survival. For seven years, we have provided Nora the care of an in-home Intensive Care Unit, but with nurses we train ourselves, significant parental involvement, and the ability for Nora to participate in her community, something she greatly values. To move forward with Waiver Reimagine would take away Nora's ability to remain home with her three sisters, her built in best friends, two doting parents who would move the ends of the earth to care for her, and the ability to go to school with the help of her nurses who provide Nora with the care she needs to attend school safely. In addition, institutions for children like mine do not exist because they should not. All children belong at home with their families, regardless of whether they have a disability or not.

My children's waivers also allow my husband and I to do the most important job in the world: be parents to our children. We lost our oldest daughter in 2016 to the same disorder that Nora and Aria have, Spinal Muscular Atrophy. Back then, there was no treatment and no hope. We were told to go home and enjoy our daughter until we had to say goodbye, which we did 3 months and 10 days after she was born. Now, there is treatment, but their disorder remains incurable and eventually progressive. The waivers give us the invaluable gift of time with our children that we do not ever take for granted. Our family spends a great deal of time in medical offices, and occasionally in the hospital. Thankfully, Nora and Aria

have been stable and only needed 1 hospitalization each in the past year. This is due to the fact that we are able to get paid to care for our children without worrying about a full-time job. We find that after about six months of employment, a job stops understanding. People just don't get that there is no cure, no end of treatment, and no alternatives if our nursing support does not come to care for Nora. We are not complaining about this. In fact, we're grateful for the unique waivers that exist in Minnesota that support family caregiving. Without them, our family wouldn't be possible. To move forward with Waiver Reimagine would be detrimental not just to our family, but to many families like ours, and children like Nora. Please repeal Waiver Reimagine and work to improve the waivers already in place to serve disabled Minnesotans.

Respectfully,

Samantha C. Phillis
Chapter Lead of Minnesota Little Lobbyists

Pictured: Samantha and Nora in her medical stroller with friends Ali and Kinsley walking the streets of DC last summer during the 60 hour Vigil for Medicaid with Little Lobbyists

FRS – One Page Legislative Summary

Advance Together | Minnesota 245D Provider

🚨 **$107.50/DAY (COUNTY LICENSE MODEL) FOR 19 HOURS OF CARE IS NOT SUSTAINABLE** 🚨

CRITICAL FACT:
$178.50/day = Governor proposed rate
$107.50/day = actual income to family under the county license model
19 hours of care are required daily
Up to 2 weeks unpaid annually

Why This Matters

- 12/12 individuals previously failed CRS placements
- Now stable in family-based settings
- Reduced ER visits and law enforcement involvement

Financial Reality

- FRS: $435.35 → $261 to family
- Tier: $238 → $142.89 to family
- Proposed: $178.50 → $107.50 to family (county license model)

System Risk

- Provider closures likely
- Loss of placements
- Increased hospital and crisis system use

Bottom Line

FRS works. It stabilizes high-need individuals and reduces system costs. These rate changes will eliminate the model—especially for county-licensed families.

What is the County License Model?

Under the county license model, host home providers deliver Family Residential Services (FRS) while operating under another agency's 245D license. As a result, 35–50% of the daily rate is paid to the 245D license holder for compliance and administrative oversight.

The Disability Waiver Rate System (DWRS) did not accurately account for host homes providing FRS under another company's 245D license. It also did not allow for accurately depicting the true administrative and operational costs carried directly by family providers.

County / Case Manager Perspective

Family Residential Services (FRS) are critical for individuals with high behavioral and mental health needs.

Many individuals fail Corporate Residential Services (CRS) due to inconsistent staffing and a lack of engagement.

FRS provides stability, reduces crisis incidents, and improves long-term outcomes.

If rates are reduced, placement options will decrease, and system costs will increase.

Guardian / Family Perspective

Before FRS, individuals often experience multiple failed placements and instability.

FRS provides safety, stability, and meaningful relationships.

Rate reductions risk eliminating placements that are working.

FRS is not just a service—it is a home.

Family Provider Reality

Family providers deliver approximately 19 hours of care daily.

This is not shift work—responsibility is continuous.

Providers act as staff, supervisors, and administrators.

Current proposals create unsustainable income and risk unpaid work periods.

Workforce Crisis

CRS models rely on a workforce that is experiencing burnout and shortages.

This leads to inconsistency and increased behavioral issues.

FRS reduces reliance on staffing pools and improves stability.

Reducing FRS funding removes a model that works.

Cost to the State

Unstable placements lead to ER visits, law enforcement involvement, and hospitalizations.

FRS reduces these high-cost interventions.

Reducing FRS funding will increase total system costs.

Licensing Barrier

Providers have waited 2–3 years for 245D approval.

Recent policy changes have canceled applications.

Providers must pay 35–50% to operate under another license.

There is currently no path forward.

Rural Access

Rural areas already have limited providers.

FRS is often the only viable option.

Loss of FRS will reduce access and displace individuals.

Projected Impact

Provider closures will occur.

Individuals will be displaced.

Emergency and crisis services will increase.

Stable individuals will return to crisis systems.

Summary

Families receive as little as $107/day while providing 19 hours of care.

Providers risk working weeks without pay.

These changes will eliminate FRS and increase state costs.

Legislative Letter: The Real Cost of Tier Rates on Family Providers and Life Share Models

Advance Together | Minnesota 245D Provider

Introduction

The following illustrates the real financial impact of tier rate changes on families providing care under FRS, Host Home, and Life Share models.

State Rate vs Actual Income to Families

Model	State Rate	Actual to Family	Loss
FRS	$435.35	$261.00	-$174.35
Tier Rate	$238.00	$142.89	-$95.11
Governor Proposal	$178.50	$107.50	-$71.00

KEY FINANCIAL REALITY

$107.50/day = what a family receives under the Governor's proposal
19 hours of care per day required
Potential for up to 2 weeks per year unpaid

=Unsustainable model for family providers

Key Issues

- 35–50% of revenue goes to 245D license holder
- Life Share limited to 1–2 clients
- No ability to increase income
- Families still meet full 245D expectations
- Risk of unpaid care periods

Conclusion

Real income to families is significantly lower than state rates. These changes create a system that is not financially sustainable and risks loss of critical family-based care.

Legislative Letter: Impact of Tier Rates and Life Share on County License Holders Without 245D Licensure

Advance Together | Minnesota 245D Provider

Introduction

I am writing to address the significant impact that current tiered rate structures and Life Share limitations have on county-licensed providers who do not hold a 245D license. These providers are essential, yet current policies create financial barriers and licensing roadblocks that make it difficult to continue operating.

KEY FINANCIAL REALITY

Proposed Rate: $145.50/day
Less 50% Licensing Cost: $72.75/day remaining

19 hours of care required daily

= $3.82/hour effective rate

Before vs After Reality

Before (Access to Licensing Path)	After (Current Policy Changes)
Providers could apply for 245D license	Applications canceled after 2–3 year wait
Path to independent operation	No path to licensure
Ability to retain more revenue	35–50% paid to license holder
Potential for long-term sustainability	No financial sustainability

Reliance on 245D License Holders

Providers must operate under another agency's 245D license, paying 35%–50% of the daily rate. This significantly reduces usable income for those providing daily care.

Life Share Limitations

Providers are limited to 1–2 individuals, with no ability to increase revenue or offset losses.

Licensing Barrier

Many providers waited 2–3 years for 245D licensure. Recent policy changes have canceled applications, forcing providers to restart or wait an additional 2+ years.

Conclusion

Current policies create an unsustainable system with no viable path forward. We urge immediate action to remove barriers and support these providers.

Legislative Letter: Proven Success of Family Residential Services (FRS)

Advance Together | Minnesota 245D Provider

Introduction

Advance Together currently supports 8 family providers and 12 individuals with significant mental health, behavioral, and trauma-related needs through Family Residential Services (FRS).

KEY OUTCOME

12 out of 12 individuals currently served in FRS previously failed Corporate Residential Services (CRS) placements.
12 out of 12 are now stable in family-based settings.

History of Failed CRS Placements

All individuals experienced instability in CRS due to inconsistent staffing, lack of engagement, and workforce burnout. These conditions led to power struggles, behavioral escalation, emergency room visits, and law enforcement involvement.

System Cost Impact

CRS instability results in increased emergency services, law enforcement involvement, and crisis placements—costing the State significantly more than stable, consistent care.

Success of FRS Model

Through family-based care, individuals have achieved stability, reduced behavioral escalation, decreased emergency service use, and stronger relationships with consistent caregivers.

Why FRS Works

Consistency, engagement, accountability, and a true home environment create better outcomes for individuals with complex needs.

Conclusion

FRS has proven to be a successful, cost-effective model for individuals who have not succeeded in CRS settings. We urge policymakers to protect and strengthen Family Residential Services.

Legislative Response: Flaws in DWRS Cost Analysis for Family Residential Services (FRS)

Advance Together | Minnesota 245D Provider

Introduction

The Disability Waiver Rate System (DWRS) cost analysis does not accurately reflect the structure or responsibilities of Family Residential Services (FRS). This results in significant inequity between FRS and Corporate Residential Services (CRS), ultimately underfunding a highly effective care model.

Core Structural Flaw

Family providers are not allowed to bill themselves as staff, administrators, or managers. As a result, the primary labor supporting the individual is not fully recognized or compensated.

FRS vs CRS Comparison

Category	Family Residential Services (FRS)	Corporate Residential Services (CRS)
Direct Care	Provided by family, not billable	Paid staff billable
Supervision	Family responsible, not billable	Supervisors billable
Administration	Family completes all tasks, not billable	Admin roles billable
Flexibility	No shift coverage, 24/7 responsibility	Shift-based staffing
Compliance	Full 245D responsibility	Shared across staff
Staffing Model	Single provider/family	Multiple employees

Compensation Structure	Limited and restricted	Layered and billable
Ability to Leave	No coverage flexibility	Staff rotation available

Expectation vs Compensation Mismatch

Family providers are expected to meet the same 245D standards, maintain documentation, manage behaviors, and ensure compliance, yet are compensated significantly less without recognition of their multiple roles.

Conclusion

FRS providers fulfill the roles of direct care staff, supervisors, and administrators without the ability to bill for these services. The DWRS model fails to account for this, making the system financially unsustainable and risking loss of critical services.

Family Residential Services (FRS) – Financial Impact Summary

Advance Together | Minnesota 245D Provider

Proposed Rate Changes Are Not Sustainable

Current FRS Rate: $411.35/day
Tier Rate: $194.00/day
Proposed Governor Rate: $145.50/day

Reduction from FRS: -$265.85/day (-64.6%)
Annual Loss Per Client: -$97,035

Care Provided Daily

11 hours active support
8 hours overnight supervision
Total: 19 hours/day

Effective Hourly Rate

$145.50 ÷ 19 hours = $7.65/hour

Minimum Value of Care

Awake care: $198/day
Overnight: $80/day
Total: $278/day
Shortfall: -$132.50/day

KEY ISSUE: DECISION-MAKING GAP

Decisions determining funding are often based on:
• 1 MnCHOICES assessment per year
• Case manager contact 1–2 times per year

Providers deliver care 365 days per year.

Those with the least contact are making the most critical funding decisions.

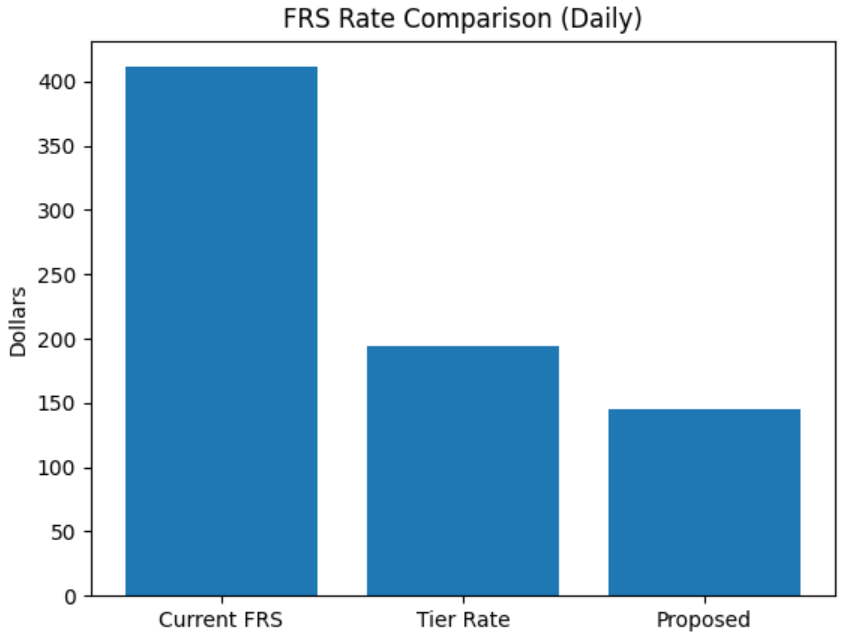
Additional Pressures

- Up to 14 unpaid days/year
- Increased licensing and compliance costs
- Individuals require continuous care

System Impact

Provider closures likely
Loss of stable placements
Higher reliance on hospitals and emergency systems

Rate Comparison Graph



April 16, 2026

Senator John Hoffman
Members of Minnesota Senate Human Services Committee

Subject: SF 4476 – Waiver Reimagine, Repeal

Dear Chair Hoffman and Committee Members:

As the mother and co-guardian of a young man with autism and juvenile glaucoma who is a beneficiary of Minnesota's DD Waiver program, I am writing regarding Waiver Reimagine, including MN DHS's proposed changes to how waiver budgets are determined. These proposals have been shrouded in secrecy with no effective public or stakeholder input, but the information that DHS has shared establishes that our son's budget would be cut dramatically and compromise his ability to live at home should Waiver Reimagine proceed based on current plans established by DHS with input from its paid consultant HSRI.

Most critically, it appears that waiver budgets under the current DHS proposal would be differentiated mostly based on "setting," and that for people NOT living in corporate or institutional care, budgets would be cut and capped at unreasonably low, unsustainable levels.

This would mean people like Henry would no longer be able to access the services he needs while living at home or elsewhere in the community, forcing him into institutional care needlessly and against his wishes, ultimately at much greater expense to the public fisc. This result would run contrary to best practices and the direction of disability services in Minnesota and across the country over the last several decades, toward deinstitutionalization, community integration and independence. These principles are enshrined in Minnesota as The Olmstead Plan, the aim of which "is to ensure that disabled Minnesotans live full, integrated lives in their chosen communities," which the proposed Waiver Imagine setting-based budget approach would directly contravene.

For my family, it is very important that services and supports reflect actual needs and allow people to live in the setting that works best for them.

I respectfully ask that SF4476 include:

A full repeal of Waiver Reimagine in its current form

Thank you for your time and consideration.

Joan Steinmann and Curtis Wenzel
1764 Ashland Ave.
Saint Paul, MN 55104
acemann@me.com
(651)341-7457

April 16, 2026

Chair Hoffman and Members of the Committee,

My name is Reverend Katrin Bachmeier. I am a Governor-appointed subject matter expert on the Waiver Reimagine Task Force—and a parent raising multiple children with significant disabilities.

I am begging you to support SF4476 and fully repeal Waiver Reimagine.

Right now, my children live together in our home. They receive the care their physicians say they need. They are happy and part of their family and their community, living in the most integrated setting as required under **Olmstead v. L.C. ADA mandate.**

Waiver Reimagine changes that.

My children require high levels of support not fundable under HSRI's model.

Waiver Reimagine is the elimination of my entire family—because none of my children could remain at home under HSRI's model. **My children will be separated and each placed into institutional settings.**

Participants will not survive without the level of care they currently receive. Families like mine do not survive this.

Other states, including Colorado, have made different decisions when faced with this kind of risk. Minnesota still has to option to correct the course.

I have spent the last 8 years fighting to keep my children safe, cared for, and together in our home—making sacrifices most families could never imagine.

Please let my family stay together. Please let us remain a family.

As Dr. Martin Luther King Jr. said, ***"The time is always right to do what is right."***

We have that opportunity here.

I am asking you to act now—**support SF4476, fully repeal Waiver Reimagine**, stop forced institutionalization and the direct dismantling of families like mine. Thank you.

Chair Hoffman and Members of the Committee,

Thank you for your time and for the work you do on behalf of Minnesotans.

I'm writing to respectfully urge you to include a **full repeal of Waiver Reimagine** in the Human Services Omnibus Bill (SF4476).

Waiver services are the backbone of community living for individuals with disabilities—especially those with high support needs, including multiple ADL dependencies, significant intellectual or physical disabilities, and medically complex conditions. These supports are not extras; they are what allow people to live safely, remain in their homes, and participate in their communities with dignity.

The current Waiver Reimagine framework raises serious concerns. By tying funding to a person's living setting rather than their actual needs, it risks underfunding individuals who require the most support. This kind of structure can unintentionally push people toward more restrictive settings, which runs counter to decades of progress toward community-based care and aligns poorly with federal expectations that services be driven by individual need.

We also know from other states and past system changes that when funding models don't accurately reflect need, the result is often instability—service gaps, workforce strain, and higher long-term costs when individuals require more intensive care. Getting this right matters not just for today, but for the sustainability of the system as a whole.

A delay, while helpful in the short term, does not resolve these underlying issues. Moving forward with a model that is fundamentally misaligned creates uncertainty for individuals, families, and providers alike.

For these reasons, I respectfully ask that SF4476 include a **full repeal of Waiver Reimagine** and that any future efforts be grounded in individualized needs and shaped with meaningful input from those most impacted.

Minnesota has long been a leader in supporting people with disabilities in community settings. This is an opportunity to continue that leadership by ensuring policies reflect both best practices and real-world needs.

Thank you again for your consideration.

Sincerely,
Caitlin Pfaff
Minneapolis, Minnesota

ausm
autism society of minnesota

April 16, 2026

On behalf of the Autism Society of Minnesota, I write to express our position on SF4476.

We enthusiastically support repealing Waiver Reimagine. We also appreciate the thoughtful care reflected in the bill's continuity-of-care planning provisions, which are critical to minimizing disruption for individuals and families.

We strongly support the establishment of the working groups for case management and MnCHOICE reform. These groups must include meaningful representation from disability organizations; we urge you to explicitly include the Autism Society of Minnesota, The Arc Minnesota, and the Disability Law Center on the membership lists so that lived experience and disability expertise inform policy recommendations.

We are concerned about the proposed changes to the nursing level of care. Removing language that recognizes sensory support needs will harm autistic Minnesotans and others who rely on sensory supports for health, safety, and community participation. We recommend adding "sensory processing needs" to the language at line 10.20 to ensure these essential supports remain eligible and recognized in nursing-level determinations.

Finally, we oppose ending the Innovations Grant program. Innovations Grants have produced significant progress for our community, including development of culturally competent, community-driven services. Eliminating this program would undermine promising practices and the momentum toward more responsive supports.

Thank you for your consideration. We are ready to work with legislators and policy partners to refine SF4476 so it protects access to necessary supports and advances equitable, person-centered services.

Sincerely,
Ellie Wilson
Executive Director

Jillian Nelson
Policy Director

2380 Wycliff St. #102 • St. Paul, MN 55114
Telephone: 651.647.1083 • *Fax:* 651.642.1230 • *Website:* www.ausm.org • *E-mail:* info@ausm.org

Dear Senator

My name is Cindy K Mayfield, and I am a licensed family residential service provider in Frazee, Becker County Minnesota. I have been providing 24-hour residential support to an individual with disabilities for 7 years. I want to sincerely thank you for your dedication to representing our state. I recognize the challenges that come with your role and the weight of the decisions you make. Your voice matters! And I trust that you always consider the best interest of those impacted by proposed legislation.

I am writing to express my concerns and your support for HF/4288 /SF4310, which would reenact the framework rate methodology for family residential services under the disability Waiver Rate system (DWRS) I am asking that this bill be included as a standalone bill in this session.

As a deeply invested citizen and foster care provider for the past 7 years, I want to highlight the impact that adult foster care has on individuals as we serve in the potential consequences of this bill.

Our home has been life-changing for a young adult who transitioned from a mental health facility into foster care shortly after high school. Now 7 yrs later the client successfully reached significant milestones and found stability in our family- centered environment/AFC home. Before coming to us the client faced home Insecurity with repeated stays in behavioral health facilities, which are costly and invasive. The client also struggled With anger management issues, suicidal ideation and attempts, obesity, and low self-esteem, which were ineffectively being managed by multiple service providers billed through the DD waiver. With the nurturing care and support of our home, the client has made remarkable progress. Multiple doctors, case manager's, Therapist and other Essential workers have expressed that such growth would have been nearly impossible anywhere else. The client has developed confidence, achieved weight loss, and significantly reduce their behavioral struggles. More importantly, the client finally feels like they have a family, one that invests in them unconditionally.

Family Residential Services is about far more than providing shelter. It is about creating meaningful relationships, offering support, and fostering personal growth in a way that institutional settings often cannot. Waiver rate system in place allows Service Providers/Licensed Holders to sustain this level of intensity of care. However, now that the tiered rate is implemented, it may no longer be financially viable for us to continue providing Family Residential Services. Many providers rely solely on DWRS income, without the benefits of retirement plans, bonuses, earned sick. And safe time, paid family and medical leave, or vacation pay. License holders wear many hats to ensure licensing standards throughout the state and county are upheld and are motivated and proud to provide the highest quality of care possible because it is their business, their reputation, and their home. This is not an entry level job, or even a position that many community members could take on, it requires commitment grit, empathy, and flexibility just to name a few. The proposed changes would threaten the livelihood of foster families and, more importantly, the well- being of the vulnerable individuals who feel they finally have a place to belong and a home to call their own.

I ask that you consider the lasting positive impact Family Residential Service Providers have on those we serve and the critical need to preserve homes like ours. Please stand with us in protecting the future of adult foster care in Minnesota.

If we would have to operate under the flat tiered rate this could force individuals out of least restrictive home-based care due to closures of the family residential service providers across the state of Minnesota. This WILL violate safety standards and Federal Civil rights protection for the individuals. The flat rate system is a violation of civil rights under the ADA and the Olmstead decision. People with disabilities have the right to community-based services in the least restrictive setting.

This is not a request for new spending. HF 4288/SF4310 restores a rate methodology that was already working.

I respectfully ask that you support the inclusions of the HF 4288/SF4310 as a standalone bill. The individual in my care and thousands like them across Minnesota are counting on the legislature to act this session.

Thank you for your time and your service to the people of Minnesota!

Sincerely,

Cindy Mayfield

Support HF4288/SF4310

Family Fostercare is very important in MN! We are a proud state who takes great care of our most valuable. What's going on now? Why would we stop taking care of them now? Family Fostercare was not involved in all this Fraud. So why are they being attacked? Work 365 days a year and get paid for 351? Is this some kind of a joke? Who does this? That's forced labor for no pay. Come on MN were better than this. Would you work and not get paid? No you wouldn't so why should Family Fostercare providers? And the tiered rate? That's under minimum wage. Again come on MN whats going on? The vulnerable adults have a choice on with who and where they want to live. When you put all these unfair rates on Family Fostercare providers you force them right out of a job and then your taking the rights away from the vulnerable adults. Do you want Family Fostercare to just disappear and be no more? Do you want more groups homes to open up just so Family Fostercare providers can keep the vulnerable adults they love with them and then cost MN more money. You stick Family Fostercares with more bills that they didn't have before, such as $2100 for a licensing fee. This can all end if you vote yes for HF4288/SF4310. I have seen so many improvements in individuals who are living in Family Fostercare homes! They are thriving and that means something!! For a moment Stop and put yourself and your loved one's in the vulnerable adults shoes and also in the providers shoes. We can do better! Keep family Fostercare in the DWRS like they have been for years. No to the tiered rate, it's unsustainable.

Thanks for your time!

SF4476

PLEASE REPEAL WAIVER REIMAGINE!!!!

Chair Hoffman and members of the committee,

I currently serve on the Waiver Reimagine Advisory Task Force and previously served on the original Advisory Committee. For more than 15 years, I have worked alongside children and families with disabilities as they navigate complex systems of care, including Minnesota's Medicaid HCBS waiver programs.

I want to be very clear: under the current timeline, DHS's proposed rollout of the new waiver system risks causing significant and preventable harm.

As proposed, the structure creates a strong institutional bias and raises serious concerns about program integrity and federal compliance. Task force members, waiver recipients, and experts have consistently raised concerns about the budget methodology, inequities, and a reduced ability for individuals to self-direct their services.

Most concerning, the current plan creates incentives that will push people out of their homes and into congregate care settings—undermining decades of progress toward community-based living and personal autonomy.

Waiver Reimagine is one of the most consequential changes to Minnesota's disability services system in decades. If implemented thoughtfully, it has the potential to improve equity and sustainability. But if implemented prematurely, it risks destabilizing services, increasing long-term costs, and eroding public trust.

Repealing Waiver Reimagine is not a delay in progress—it is a safeguard. It protects legislative intent, ensures program integrity, and supports responsible fiscal stewardship.

You have heard consistent concerns from the Minnesota Governor's Council on Developmental Disabilities, Task Force members, the HSRI Expert Panel, the Long-Term Services and Supports Advisory Council, advocates, attorneys, and even DHS staff. That level of alignment is rare—and it should not be ignored.

We are asking you to act on what you have heard.

Do not move forward with a system that risks limiting choice and increasing institutionalization. The cost of getting this wrong will be measured in lost independence, diminished quality of life, and irreversible harm.

Please support a repeal to ensure this reform is done right.

Thank you for your time and consideration.

April 15, 2026

Hon. John Hoffman, Chair
Minnesota Senate Human Services Committee
95 University Ave. W.
Saint Paul, MN 55155

Re: SF 4476 – Support a Full Repeal of DHS "Waiver Reimagine"; Include in the Human Services Omnibus Budget Bill

Dear Chair Hoffman and Human Services Committee Members:

I write to urge the Minnesota Legislature to repeal, not merely delay, DHS's "Waiver Reimagine" (WR) initiative. WR is not a lawful policy reform. It is a structural violation of federal constitutional, statutory, and regulatory law that, if implemented, will predictably force thousands of Minnesotans with disabilities out of their homes and into institutional settings against their will. Minnesota law independently mandates that disability waiver programs support individuals in the community of their choice based on their assessed needs.[1] The Legislature has both the authority and the obligation to permanently stop this unlawful initiative.

WR's core structural flaw is its adoption of a *settings-based budget model* that allocates service funding based on the *type of residential setting* a person inhabits rather than their individualized, assessed support needs. This directly violates the Supreme Court's mandate in *Olmstead v. L.C.*, which held that unjustified institutionalization of persons with disabilities constitutes unlawful discrimination.[2] The ADA's integration mandate requires that services be administered in "the most integrated setting appropriate" to the individual. This determination must be made individually, not categorically by building type.[3] By structurally incentivizing congregate placement through higher budget allocations, WR weaponizes financial architecture to produce the very institutionalization that Title II of the ADA and Section 504 of the Rehabilitation Act categorically prohibit.[4] Federal courts applying the "may cause institutionalization" standard require no certainty of harm to trigger legal liability; WR's structural incentives meet this threshold today.[5]

WR is independently unlawful under federal Medicaid law. The CMS 2014 HCBS Settings Rule expressly requires that waiver service budgets be based on "the individual's needs as documented in their person-centered plan," not on residential setting categories.[6] Home and Community-Based Services waivers authorized under Section 1915(c) of the Social Security Act must be structured around individualized need.[7] Any waiver amendment implementing WR's model requires CMS approval, which is unlikely to be granted given this direct regulatory conflict. Proceeding without CMS approval would place Minnesota's approximately $2.5 billion annual federal Medicaid match at serious risk of disallowance, a financial exposure that vastly exceeds any projected administrative savings.[8] WR also violates Minnesota's own court-mandated Olmstead Plan arising from *Jensen v. Minn. Dep't of Human Services*, exposing the State to renewed federal court oversight and enforcement.[9]

WR's procedural defects further compound its substantive illegality. Federal Medicaid regulations and the Minnesota Administrative Procedure Act require meaningful, participatory stakeholder engagement before substantive changes to waivers.[10] DHS made core structural decisions before genuine engagement occurred, sessions were informational rather than participatory, and no individualized impact assessments were conducted for affected populations. These failures are

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[1]Minn. Stat. § 256B.4905, Subd. 8 (requiring the commissioner to ensure disability waiver programs support individuals in community settings with services based on assessed needs).
[2]Olmstead v. L.C., 527 U.S. 581 (1999).
[3]28 C.F.R. § 35.130(d).
[4]42 U.S.C. § 12132; 29 U.S.C. § 794.
[5]M.R. v. Dreyfus, 697 F.3d 706, 734-35 (9th Cir. 2012); Lane v. Brown, No. 3:12-cv-00138 (D. Or. 2015).
[6]42 C.F.R. §§ 441.301(b)(1)(i), 441.710; 79 Fed. Reg. 2,948 (Jan. 16, 2014).
[7]42 U.S.C. § 1396n(c)(1).
[8]42 C.F.R. § 430.35. Minnesota currently receives approximately $2.5 billion annually in federal Medicaid matching funds for HCBS waiver services.
[9]Jensen v. Minn. Dep't of Hum. Svcs., No. 0:09-cv-03079 (D. Minn. 2011).
[10]42 C.F.R. § 441.301(b)(1)(i); Minn. Stat. §§ 14.131-14.20.

independently actionable. WR's harms also fall most heavily on individuals with the most significant disabilities, constituting cognizable disparate impact discrimination under the ADA and Section 504, as recognized in *Alexander v. Choate*.[11] The U.S. Department of Justice has entered into enforcement settlements with multiple states under directly analogous fact patterns.[12] Minnesota need not, and must not, join that list.

A mere delay is not sufficient. Delaying an unlawful framework does not cure it; it defers the legal and human consequences onto Minnesota's most vulnerable residents. Approximately 80,000 Minnesotans with disabilities depend on needs-based, individualized HCBS waiver budgets to remain safely in their homes and communities. This Legislature has the authority to permanently halt a DHS initiative that is structurally incompatible with federal law, the U.S. Constitution, and Minnesota's own legal commitments. I respectfully and urgently call upon you to exercise that authority: **repeal Waiver Reimagine** and direct DHS to redesign any future waiver reform from the ground up on a needs-based, federally compliant, and disability-led foundation. The civil rights, safety, and dignity of tens of thousands of Minnesotans demand nothing less.

Respectfully submitted,

Heather Kainz
Parent of HCBS Waiver Recipient & Disability Advocate
HK.Advocacy@gmail.com

[11]Alexander v. Choate, 469 U.S. 287, 299 (1985); 28 C.F.R. § 35.130(b)(8).
[12]United States v. Georgia, No. 1:10-CV-249 (N.D. Ga. 2010); Lane v. Brown, No. 3:12-cv-00138 (D. Or. 2015).

Subject: SF4476 – Request for Full Repeal of Waiver Reimagine

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

I am writing to respectfully request that SF4476 include a **full repeal of Waiver Reimagine**, rather than a one-year delay.

Legal and Structural Concerns

A recent legal analysis dated April 12, 2026 raises serious concerns regarding the structure of Waiver Reimagine and its compliance with federal law.

The analysis highlights that the proposed model:

- Establishes **different budget ranges based on living setting** rather than solely on assessed need
- Results in **lower budgets for individuals living independently or with family**, and higher budgets in provider-controlled settings

This structure raises concerns regarding alignment with:

- The **Americans with Disabilities Act (ADA)**
- The **Olmstead decision**, which requires services in the most integrated setting
- The **Rehabilitation Act**

Risk of Institutionalization

The same legal analysis warns that this design may:

- Place individuals at **serious risk of institutionalization**
- Incentivize movement into more restrictive, provider-controlled settings

This directly conflicts with longstanding state and federal policy supporting community-based living.

Why a Delay Is Not Enough

A one-year delay does not address the core issue:

The **structure of the model itself**

Moving forward with a model that raises these concerns creates risk for:

- Individuals and families
- Providers
- The State of Minnesota

Including the potential for **litigation and federal compliance challenges**

Request

For these reasons, I respectfully request that SF4476 include:

A full repeal of Waiver Reimagine in its current form

This would allow for development of a model that:

- Is based on **assessed need**
- Supports **community integration**
- Aligns clearly with federal law

Closing

This is a critical decision point. Proceeding with a model that raises legal and structural concerns will be difficult to correct once implemented.

A full repeal now allows for a more stable, compliant, and person-centered system moving forward.

Thank you for your consideration.

Sincerely,
Brian Johnson
4060 Sangstrom Rd
Hermantown, MN 55810
(507) 261-0166