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Media Release

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Up To Legislature To Protect Services For People With Disabilities

Governor's supplemental budget takes no action on cut to support for Minnesotans with disabilities

SAINT PAUL, MINN. – ARRM, an association representing more than 200 direct care providers and organizations supporting home and community-based services for people with disabilities in Minnesota, responded to Governor Dayton's proposed supplemental budget.

"It is extremely disappointing to see the Governor's proposed supplemental budget not address the seven percent cut to reimbursement rates many Minnesotans with disabilities use to access home and community-based services in order to live independently," said Sue Schettle, CEO of ARRM. "Many, many stakeholders have made the administration aware of the harmful impacts this policy issue creates: tens of millions of dollars in lost aid for thousands of Minnesotans."

The seven percent cut was created by a conflict in state policy that caused the federal Centers for Medicare and Medicaid Services to disallow an investment in quality and workforce competitiveness enhancements passed by the State Legislature three years ago. The result returned approximately \$10 million to the state general fund for the current biennium, and more than \$50 million for the following biennium. With \$123 million remaining on the bottom line, room remains to fix the problem and restore the cuts before they go into effect.

"While ARRM applauds and encourages important investments in educational opportunities for people with disabilities proposed by the Governor, the result of the overall state budget should uphold opportunities for people throughout their lives," said Schettle. "We understand the administration has many competing interests to address, but a top priority should be reinstating funding which for the last three years has gone towards high quality services and maintaining workforce competitiveness."

The administration's Office of Management and Budget projects wages across the state to rise by an average of 5.5 percent next year, a significant concern for providers of community-based services who already struggle to hire and retain direct care staff at an average wage of just over \$12 per hour. With more than 95 percent of all revenue coming from the state-set Medicaid rates set to be cut in July, failure to address the issue would be a huge blow.

"Community-based service providers were counting on this revenue to make needed investments in better wages for direct care staff and program innovations to enhance independent living supports," said Schettle. "ARRM will continue to work with legislative leaders from both parties to ensure a fix to stop these rate cuts is passed this session, and strongly urges the Governor to sign it."