

2019



ARRM

2019
ANNUAL
REPORT

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COMMITTEES

- Finance
- Financial Resources
- Service Innovations
- Workforce Solutions
- Public Affairs
- Unit-Based Services Work Group
- Alternate Payment Model Work Group
- Technology Work Group
- ICF Task Force
- IHS Task Force
- 245D Lite Task Force

ARRM STAFF

- Sue Schettle**
Chief Executive Officer
- Sara Grafstrom**
Director of State and Federal Policy
- Drew Henry**
Director of Strategic Communications
- Ken Bence**
Director of Research, Analysis and Policy
- Ashley Wear**
Manager of Member Events and Promotions
- Madeleine Lerner**
Grassroots Organizer and Manager of Social Media
- Becky Groen**
Senior Bookkeeper

ARRM EXECUTIVE COMMITTEE

- President**
Shannon Bock, CCRI, Inc.
- Vice President**
Ric Nelson, EON, Inc.
- Past President**
John Estrem, Hammer Residences
- Treasurer**
Chris DeVos, REM Minnesota, Inc.
- Secretary**
Heidi Holste, Northeast Residences
- Board Development Coordinator**
Doug Annett, Opportunity Partners, Inc.

FROM THE CEO

It's been nearly two years since I joined ARRM as its chief executive officer. As I reflect on my time here, I am confident of where we are as an association and our future looks bright.

Key indicators for the health of membership organizations are membership enrollment and revenue. I am happy to report that ARRM is doing well on both fronts. In 2019, we project to exceed our budget target by \$40,000 and have grown our membership by recruiting several new and former members to ARRM which equates to tens of thousands of dollars in unbudgeted revenue. We also received non-dues revenue in the form of a grant to support piloting a training curriculum for county case managers on implementing supportive technology. We plan to grow our non-dues revenue base into 2020 and beyond.

Associations also have to try something new once in a while, and look at things that might not have been on the table before. This year, in response to feedback from members about the workforce challenges presented by a two-day conference, we held our first ever one-day Annual Conference. Featuring new session alignment, a new venue, and new non-session programming, the transition was a success. We actually exceeded registrations from past two-day events, while lowering overall costs. We also received great feedback from exhibitors who were excited to be integrated into the action of the conference as opposed to being in a separate exhibit hall. We're excited about 2020 and what the Annual Conference will bring our way.

Associations sometimes also must look into topics and issues which are not necessarily easy to talk about because of their complexity or because it causes anxiety over what might come. National trends around managed care models are something we cannot afford to ignore. After a panel at the 2018 ARRM Leadership Conference where we heard from national speakers about the impacts in numerous states, the ARRM board felt it was important for our association to be proactive in developing our knowledge on this issue. The Alternative Payment Model Work Group was formed as a way to empower, engage and educate ARRM leaders on what's happening across the country. If the state begins to have discussions about changing payment methodologies, ARRM will be ready to help shape the discussion.

ARRM has an amazing group of staff at the helm who are leading big initiatives and the critical work of the association. The staff members work together as a team and are effective, hard-charging workers. I'm proud of the team we have assembled at ARRM and feel like we are a stronger organization because we have the right people in the right seats ready to meet the needs of our members.

As I start my third year at ARRM I am extremely optimistic, hopeful and energized by the vision that the Board has set for our future. It's our 50th anniversary next year and I am excited to be able to work on behalf of such an amazing group of committed members and staff who support people with disabilities. I am truly blessed.

Sincerely,



Sue Schettle
Chief Executive Officer

MEMBERSHIP REPORT

Trade associations often are asked “what do I get for my dues?” Thankfully, we have an easy answer to that question. In addition to serving as the leading organization advocating for Minnesota home and community-based service providers, ARRM members receive a plethora of member-only benefits including the most up-to-date information on legislation, emerging policies and reforms, industry-specific information, the latest on what’s happening at the Department of Human Services, as well as what’s happening on the national scene.

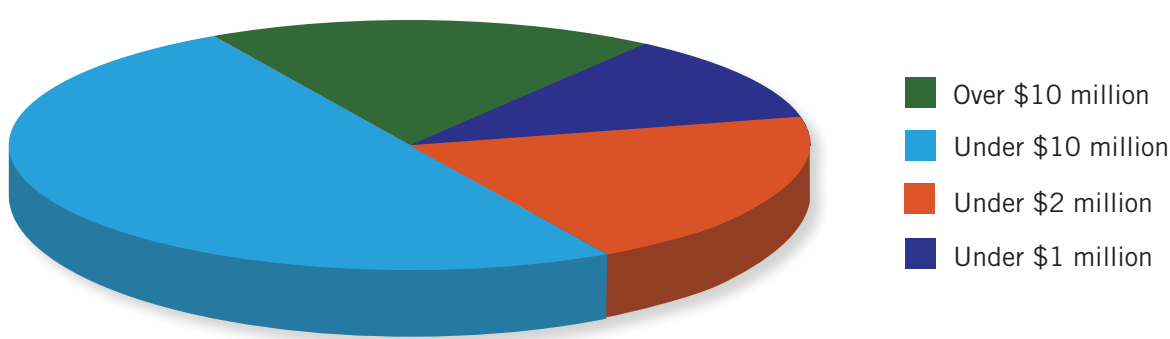
ARRM holds members-only weekly calls where we touch on general updates on what’s happening at the association, or we address specific topics and issues. In 2019, we launched a new “Dial-in with DHS” as an expansion of this members-only benefit. These monthly webinars provide access to DHS experts who go on-the record on issues that specifically impact Home and Community-based service providers. ARRM also provides our members with technical assistance on various topics. If you have a question we will find the answer.

ARRM organizational and associate members have beneficial access to an array of education and training offerings, some of which are exclusively available to members, some of which are steeply discounted for members. This includes the ARRM Leadership Conference, the ARRM Leadership Institute, our Business & Finance Forums, and various training partnerships ARRM secures on behalf of its members.

Membership Dues Revenue

	2017	2018	2019
Membership Revenue	\$1,143,224	\$1,139,644	\$1,195,840
Operating Revenue	\$1,521,185	\$1,548,938	\$1,601,790

Member Size Breakdown (in annual revenue)



Fun Facts

Number of Organizational Members: **154**

Number of former members returning to ARRM in 2019: **4**

Number of new members joining ARRM in 2019: **6**

Percent non-profit: **47%**

Percent for-profit: **53%**

Number of members who have been members of ARRM for nearly 5 decades: **10***

Number of ARRM-member staff serving on committees or workgroups: **400+**

Number of operating committees or taskforces: **8**

Number of issue-specific taskforces: **3**

Number of governance committees: **4**

*according to best available data

ARRM MEMBERS

ORGANIZATIONAL MEMBERS

- Access of the Red River Valley Accessible Space, Inc.
- Accra Care, Inc.
- ACR Homes, Inc.
- Alternatives For People With Autism AMAS, Inc.
- AME Community Services, Inc.
- American Baptist Homes/Crest Services
- Arrowhead House Foster Care, LLC
- Aveyron Homes, Inc.
- AXIS, Inc.
- Bear Creek Services, Inc.
- Bethesda Lutheran Communities
- Big Stone Community Homes, Inc.
- Blue Sky Inc.
- Bridges MN
- Building Hope Inc.
- CareCo Apartments, Inc.
- CCRI, Inc.
- Chev's Place
- Chez Nous, Inc.
- Clare Housing
- Client Community Services, Inc.
- Community Involvement Programs
- Community Options & Resources
- Companion Housing Programs, Inc.
- Companion Linc
- Connections, Inc.
- Consumer Directions, Inc.
- Creative Care Resources, Inc.
- DRCC
- Dungarvin MN LLC
- Empowered Life Services
- Empowerment Services of MN, Inc.
- Enrich Inc.
- EON, Inc.
- Episcopal Group Homes, Inc.
- Everyday Living
- Fairchild's FosterCare
- Fraser
- Genesis Group Homes, Inc.
- Granite Care Home, Inc.
- Great River Homes, Inc.
- Habilitative Services, Inc
- Hammer Residences, Inc.
- Harry Meyering Center, Inc.
- HaugBeck Support Services
- Health Providers, Ltd
- Heartland Homes, Inc.
- Hiawatha Homes, Inc.
- Hiawatha Manor, Inc.
- High Island Creek Shelter
- Home And Community Options, Inc.
- Homeward Bound, Inc.
- Hope Haven, Inc.
- Hope House of St Croix Valley
- Horizon Health, Inc.
- Howry Residential Services
- ICAN, Corp.
- In-Home Care LLC
- Independent Management Services
- Inspired Home Care Services, Inc
- Integrity Living Options, Inc.
- J and J Holmes, Inc.
- Jackson Co DAC, Inc.
- JEC Miller, Inc.
- Johnson's Riverside, Inc.
- Jojo's Place
- Josh's Place, LLC
- Joyful Living
- Karcher Foster Services, Inc.
- Lakes Homes & Program Development
- Laurent Clerc Services, Inc.
- Learning Indep Through Equality, Inc.
- Life By Design, Inc.
- Lifetime Resources, Inc.
- Lifeworks Services, Inc.
- Linnea Residential Home, Inc.
- Living Well Disability Services
- Living Your Legacy
- LRN Associates Management Services, Inc.
- Lutheran Social Service of Minnesota
- Mains'l Services, Inc.
- Maple Leaf Services, Inc.
- Marshall Co Group Homes, Inc.
- Mary T., Inc.
- MDM Rubicon Inc.
- Midwest Independent Living Services, LLC
- Mount Olivet Rolling Acres
- Multi-Community Care and Homes Inc.
- My Brothers' Keeper
- Mykkanen Foster & Waiver Services
- New Dawn, Inc.
- NHS - NorthStar Specialized Services
- Northeast Residence, Inc.
- Oak Hill Adult Services
- Oakridge Homes Of Aitkin
- Olu's Home, Inc.
- One Day At a Time, Inc.
- Onward Services Of Montevideo, Inc.
- Opportunity Matters
- Opportunity Partners, Inc.
- Options Residential, Inc.

- Orion Corporation of MN
- Orono Woodlands, Inc.
- Our Homes South, Inc.
- Outcomes, Inc.
- Owakihi, Inc.
- Paradigm Residential Services, Inc.
- Partnerships for MN Futures, Inc.
- Pathways To Community
- Pine Ridge Homes, Inc.
- Pine River Group Home, Inc.
- Presbyterian Family Foundation
- Progressive Living
- Provide Care, Inc.
- Rainy River Waivered Services, Inc.
- Ramsey County/Lake Owasso Range Center, Inc.
- RE Homes
- Reach For Resources, Inc.
- Relieve Care, Inc.
- REM Minnesota, Inc.
- ResCare Minnesota, Inc.
- Residential Services of NE MN
- Residential Transitions Inc
- Restart, Inc.
- Riverview Services, Inc.
- Rudolph's Community & Care
- Rural Living Environment, Inc.
- Safe Transitions, Inc.
- Share-A-Home, Inc.
- SMB Disability Solutions
- St. David's Center for Child & Family Development
- Stepping Stones for Living LLC
- Stille Havn Hus, Inc.
- Supportive Lifestyles, Inc.
- Supportive Living Solutions
- Swift County Homes, Inc.
- Synstelien Community Services
- TBI Residential and Community Services, Inc.
- Tender Loving Care of Duluth
- The Lutheran Home Association-Hope Residence
- The Phoenix Residence, Inc.
- Thomas Allen, Inc.
- Thrive Behavioral Network, LLC
- Trillium Services, Inc.
- Volunteers of America-MN
- Wingspan Life Resources, Inc.
- Zumbro House, Inc.

ASSOCIATE MEMBERS

- Abdo, Eick & Meyers LLP.
- Advance Opportunities
- ALTAIR-ACO
- Assisted Living Soft LLC
- Becker Co. DAC, Inc.
- Carlson Advisors, LLP
- Cashe Software
- Chrestomathy, Inc.
- Christensen Group Insurance
- CliftonLarsonAllen LLP
- Dose Health
- Fredrikson & Byron, P.A.
- Geritom Medical, Inc.
- Gray Plant Mooty
- Guardian Pharmacy MN LLC
- Handi Medical Supply
- Home Care Delivered
- Independent Lifestyles, Inc.
- Mankato Rehabilitation Ctr, Inc.
- Mercarik
- MITC
- Mutual of America
- PCG - Public Partnerships, LLC
- PROCare HR
- Rest Assured, LLC
- Rock Co Opportunities
- RPH Properties, LLC
- RTC on Community Living/UMN
- SafeDose Pharmacy
- Sandy Henry
- Sengistix, LLC
- SMILES CIL
- STAR Services, Inc.
- SUCCESS Computer Consulting
- Therap Services, LLC
- True Friends
- TSE, Inc.
- Work Abilities, Inc.

LEGISLATIVE AND ADVOCACY REPORT

Competitive Workforce Factor

One of ARRM’s biggest victories this legislative session was the passage of a new Competitive Workforce Factor within the Disability Waiver Rate Setting framework.

Through close work with the Best Life Alliance, grassroots advocacy and sound data, we demonstrated to legislators the need to address workforce wages and the importance of state investments in this area.

A report produced by the Department of Human Services in late 2018 showed Direct Support Professional wages lag 17% behind that of occupations comparable in terms of education and experience. While the Competitive Workforce Factor will not close that gap, it starts a process to make DSP wages more equitable in the talent market.

Overall, the Competitive Workforce Factor will equate to an average 4% rate increase across all providers and represents over \$100 million invested by the state over the next four years.

Important Legislative Stops

Licensing Fee Increase: Proposal would have increased fees for 245D providers by up to 300%. ARRM worked closely with MOHR association and the State Senate to stop this proposal.

Bed Closures: Proposed that for every two beds vacant for 6 months or more, adult foster care bed capacity would be reduced by one. ARRM testified in opposition and lobbied against this proposal, which in the end was not adopted.

Caps to the DD and CADI Waivers: Proposal would have capped the population receiving these waivers at July 1, 2019 numbers. Along with other members of the disability community, ARRM testified in opposition to this proposal and it was not adopted.

Policy Priorities

Along with our work on the Competitive Workforce Factor, we were able to successfully advocate for the passage of these important policy changes:

- Competency-based annual training
- Annual conversation on the use of supportive technology
- Changes to the Positive Support Service
- Creation of the Technology First Advisory Council



ARRM pushed hard over the last year to advocate for policy priorities all over the state and in a wide variety of venues.

Duluth-area ARRM Members presented with Direct Support Professional Recognition Week proclamation by Duluth Mayor Emily Larson.

Grassroots Advocacy

This year saw a record number of participants in grassroots advocacy efforts. As of October 2019, there have been more than 50 visits hosted by more than 20 members, including a focus on engaging freshman legislators. After the visits, legislators reported a greater understanding of home and community-based services and the work done by Direct Support Professionals (DSPs).

ARRM’s 2019 Disability Services Day brought in more than 1,000 advocates, again making it one of the largest rallies annually at the Capitol. Self-advocates, family members, and staff met with more than 150 legislators to tell their story and show their support for disability services. The day’s high turnout displayed the value of DSPs and the importance of closing the wage gap.

Members also responded to numerous action alerts, including the end-of-session thank you campaign. More than 1,000 ARRM and Best Life Alliance members sent thank you postcards to their legislators for the inclusion of the Competitive Workforce Factor.

Post-session, ARRM hosted a series of coffee events around the state. Members had the opportunity to thank legislators for the inclusion of the Competitive Workforce Factor in 2019 and urge them to support future endeavors related to the workforce crisis. After an event in St. Cloud, Representative Wolgamott tweeted, “Thanks to ARRM for giving me the opportunity to connect with providers, businesses and advocates dedicated to leading the advancement of community-based services that support people living with disabilities.” The actions taken by grassroots advocates put a human face to complex issues and were critical to ARRM’s legislative successes. Thank you to all who engaged this past year.



ARRM engages all people in its advocacy for stronger home and community-based supports for people with disabilities.

This past March, the Disability Services Day at the Capitol, organized by ARRM, brought hundreds of passionate advocates from all across the state to St. Paul.

REGULATORY AND POLICY

In addition to advocacy at the legislature, we have significantly expanded our work in the areas of research and analysis around policy and regulatory issues, as well as compiling and analyzing data to support ARRM’s policy activities.

In the last year, this included several key initiatives:

- **Competitive Workforce Factor:** ARRM worked to strengthen legislation increasing waiver rates and supporting competitive wages for direct support staff. This was done by working closely with key legislators, presenting data, reports and member testimonials to demonstrate the clear need for action.
- **Unified workforce and industry research:** The association partnered with the University of Minnesota’s Institute for Community Integration and the Department of Human Services on data-gathering and analysis efforts to develop a more complete and unified analysis of the issues facing the field, as well as reducing duplicative data collection efforts.

Tools and Resources

A major part of ARRM’s work on behalf of members is providing the technical assistance and tools organizations need to implement best practices. In no area was this more on display in 2019 than the response to the passage of the Competitive Workforce Factor. While this legislation created a rate increase for HCBS organizations, it also created new issues around forecasting revenue and reporting requirements. We provide critical assistance to our members, including several presentations at events and webinars, as well as a free-for-members dedicated training webinar with in-depth technical assistance and sample worksheets for organizations to begin preparing for the implications of this legislations implementation.

Also produced this year by ARRM staff and committees were several toolkits and webinars on workforce recruitment and retention.

Technology Resource Center

ARRM continued to grow and enhance our work in the area of promoting the use of supportive technology for people with disabilities in 2019. Most notably, the online Technology Resource Center was redesigned and relaunched to be more user-friendly and help people find the information and resources they are seeking. The online training courses have also been expanded and new success stories, best practices, and tools continue to be published on a regular basis.

Through a DHS grant, ARRM also developed and piloted an in-depth training course for case managers on the use of technology and the policies around its implementation, working to fill a major knowledge gap slowing the growth of technology use in our field. ARRM continues to receive many requests for presentations and training from providers, advocacy groups, and counties in the area of technology.



The association provides dozens of opportunities for Minnesota agencies and their staff to engage in policy development and get training on key issues.

ARRM launched a new Leadership Institute, a leadership development program exclusively for members to give rising stars the training they need on policies and practices to be leaders of the future.

EVENTS AND EDUCATION

ARRM Leadership Institute (ALI)

Requested by ARRM members, we designed this brand new four-part cohort-based program to develop the personal and professional effectiveness of home and community-based service leaders. Over the course of the year, ALI attendees have received hands-on instruction on topics such as supervising employees, managing time and workload, diversity and inclusion, and more. In addition to the valuable education and coaching, participants have also had the opportunity to connect, engage and learn from peers in the industry and like-organizations. The launch year was a great success, with the training cohort sold out. The offering is being expanded for 2020.

Annual Conference

Responding to member feedback and event trends, ARRM hosted a re-imagined industry conference in 2019, with a new schedule, new venue, new attractions, and more.

The biggest changes were to contract the conference schedule to one day, and shifting the venue to a more modest and functional space, as well as keeping it in the Metro area. These decisions were made primarily in response to feedback from statewide membership that workforce pressures made a two-day conference very difficult on scheduling, and a Greater Minnesota location dramatically increased those challenges. Ultimately, these changes resulted in significant improvements in both daily registration totals and financial performance of the conference, as the conference nearly sold out with approximately 600 attendees.

The exhibitor space was also re-imagined, with more than 30 exhibitors integrated directly into the main conference space as opposed to set in a standalone exhibitor hall. Along with additional attractions such as a pilot Technology Experience Center and complimentary professional head shots, exhibitors reported both traffic and engagement with attendees was well up from recent years.



The ARRM Annual Conference is Minnesota’s marquee training and exhibition event for private home and community-based providers.

Webinars

ARRM increased its web and virtual offerings in 2019 to include different and more frequent connections for HCBS providers. Most notably, the new Dial-In with DHS (free for ARRM members) brings staff from the Department of Human Services who share and discuss policy and reporting topics in the industry as well as answer member questions. ARRM also included quarterly training on current issues in an educational focused webinar or learning opportunity for our broader membership.

COMMUNICATIONS

The association continues to expand its public relations work on behalf of its members and the HCBS industry as a whole.

Workforce promotion: For the first time, ARRM heavily engaged in public and media outreach around its ARRM Cares Award program and DSP Appreciation Week, securing nearly a dozen media stories statewide as well as engaging nearly two dozen local and state elected officials in recognizing the contributions of the DSP workforce.

Workforce campaign: ARRM has spent 2019 working with its members and strategic partners to develop a campaign to launch in 2020 to increase public awareness about the value of the services HCBS organizations, and their workforce, provide.

FINANCIALS

ARRM continues to evolve as an organization. Our membership remains loyal and engaged in the work we are doing as a leading HCBS trade association. The association has a high retention rate for membership and has begun to recruit back former members, including some of the largest providers in the state. That re-engagement shows we are heading in the right direction and people want to be working with ARRM. The future looks bright!

As a result, ARRM's financial picture is strong. Due to shifting initiatives, ARRM reduced expenses by more than 13 percent from 2018, freeing up our capital to recharge board-designated reserve funds and prepare for investments in exciting initiatives over the coming years. This financial strength is allowing ARRM to expand the scope of its efforts on behalf of ARRM members and the HCBS field as a whole.

Two important changes to the association dues structure were implemented in the past year in order to align billing cycles and bring ARRM into alignment with the marketplace. The first change raised Associate Members annual dues to \$1,000 – the first increase in several years – bringing it into market alignment with similar associations. In conjunction, ARRM has begun to implement additional membership benefits for associate members, such as public directory listings starting in 2020, and new discounts on sponsorship packages.

The second change moved ARRM's dues calendar from June - July to January – December. This both aligns the dues calendar with ARRM's fiscal calendar, but also the fiscal calendar of most members. For the coming cycle, organizational members have renewed through the end of 2020. Looking toward the future, members will get a renewal notice in the fall of 2020 to help us calculate their dues for 2021.

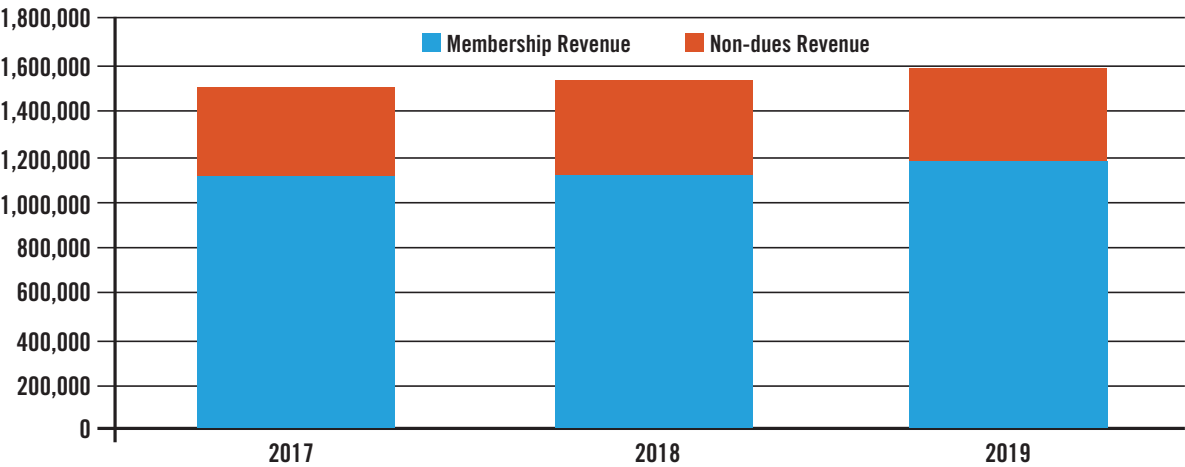
ARRM looks to continue to strengthen its financial picture going into 2020, with new sources of non-dues revenue identified as well as growth opportunities in existing revenue streams.

Organizational Size (revenues/expenses)

	2014	2015	2016	2017	2018	2019
Revenue	\$1,354,109	\$1,444,199	\$1,423,475	\$1,521,185	\$1,548,938	\$1,517,882*
Expenses	\$1,240,0854	\$1,352,900	\$1,4255,828	\$1,514,795	\$1,703,303	\$1,473,696*

NOTE: 2018 was the year ARRM filed suit against the Department of Human Services to block a 7% rate cut.
*Forecasted on 9/19

Operation Revenue Breakdown



LOOKING TO THE FUTURE

Board Develops Strategic Plan

In 2018 the ARRM Board of Directors adopted its three-year strategic plan guiding the work of the association. Given the nature of the disability services industry and the plethora of issues that come our way on a routine basis, it is helpful to have these priorities in place as a guide to ensure the work we are doing aligns with the organizational goals set by our members.

The ARRM Board of Directors has a dashboard of indicators that they monitor on a quarterly basis to make sure we are making progress on the plan. We are progressing with our goals, strategies and tactics in the manner we had hoped.

Board Goals

Goal 1

Create and advance a successful future for services and providers by addressing workforce demographics, sustainable funding and Olmstead implementation.

Goal 2

Prepare and promote workforce strategies so that staff capacity and skills can meet the needs of the people served.

Goal 3

Address the leadership, information and support needs of ARRM members, policy members and the community.

Creating a Vision for the Future

A working group of the ARRM Board of Directors has also initiated work to cast a long-term vision for the future of home and community-based services for Minnesotans with disabilities. This vision includes realities of what the landscape will look like in the decades to come, such as the size of our workforce population; it includes significant factors which ARRM sees as likely to come to pass, such as a changing reimbursement landscape; and a concept for how services should be delivered into the future to best achieve the goal of supporting people with disabilities to lead full and fulfilling lives of their choosing.

This vision will help shape ARRM's ongoing effort to be a leader in progressing supportive services for Minnesotans and advocating on its members' behalf to achieve this goal, and we are pleased to provide opportunities for all members to engage in this work.




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