

For immediate release

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Disability Service Providers Demand Immediate Action Following Mass Terminations Resulting from DHS Revalidation Failures

More Than 1,000 Providers Disenrolled as State Process Leaves

Legitimate Providers Unable to Bill for Services

ST. PAUL, Minn. — Minnesota disability service provider organizations are calling on the Minnesota Department of Human Services (DHS) and state leaders to take immediate action after more than 1,000 providers were terminated from Minnesota Health Care Programs following a rushed and poorly managed provider revalidation process that has left legitimate providers unable to receive payment for services they continue to provide to vulnerable Minnesotans.

The coalition, including Association of Residential Resources MN, MN Home Care Association, Autism Treatment Association of MN, Mental Health Providers Association of Minnesota, Residential Provider Association of MN, and disability service providers across the state, says the situation represents the latest in a series of program integrity efforts that have failed to distinguish between bad actors and longstanding, reputable providers serving Minnesotans with disabilities.

The off-cycle revalidation process began January 26, 2026, and required 5,512 providers offering one or more of 13 designated high-risk services to undergo revalidation by May 31. The process included unannounced site visits, extensive documentation requirements, and multiple administrative reviews.

As of May 29, DHS reported that only 1,009 providers, or 18.3 percent, had completed the process, while 1,151 providers, or 20.9 percent, had already been disenrolled. More than 3,300 providers remained pending just days before the deadline.

Providers that were terminated may continue serving individuals with disabilities but cannot receive payment for services provided and cannot receive new service authorizations.

"This situation is completely unacceptable," said Sue Schettle, CEO of ARRM. "Providers have spent months attempting to comply with a process that has been plagued by confusion, inconsistent communication, repeated requests for information, and an inability to get answers from DHS. Now thousands of legitimate providers are facing the prospect of providing services without payment because the state failed to complete its own process."

Provider organizations stress that they support efforts to prevent fraud and protect taxpayer dollars. However, they say the current approach has become increasingly punitive toward legitimate providers while creating instability for the very individuals the system is intended to serve.

Throughout the revalidation process, providers reported numerous challenges, including:

- Missing unannounced site visits because staff were providing services in the community rather than sitting in an office.
- Receiving requests for additional documentation that were not identified in previous communications.
- Being asked to repeatedly submit the same documents after they had already been provided.
- Weeks-long delays in receiving responses to emails, phone calls, and portal inquiries.
- Providers already participating in their regular revalidation cycle being required to complete a second revalidation process and pay additional fees.

Many providers report they submitted all requested documentation within required timelines yet still received termination notices without clear explanations regarding what information was missing or what steps remained incomplete.

"This process has created uncertainty and panic throughout the disability services system," Schettle said. "Providers are being told they may appeal, but no one can tell them how long those appeals will take, whether they will be paid

during the process, or how they are supposed to continue operating while waiting for answers."

The coalition notes that the revalidation crisis follows months of disruption caused by DHS prepayment review actions, payment holds, and other program integrity initiatives that have strained provider operations across the state.

Providers warn that the cumulative impact of these actions threatens access to services for Minnesotans with disabilities at a time when the workforce crisis, regulatory burdens, and financial pressures on providers are already severe.

"At every turn, legitimate providers have been treated as though they are guilty until proven innocent," Schettle said. "The state has repeatedly assured providers that these efforts are aimed at stopping fraud. Instead, we are seeing ethical, longstanding providers caught in administrative failures that jeopardize services for people who depend on them every day."

The coalition is calling on DHS and legislative leaders to:

- Immediately reinstate providers that submitted required documentation and are awaiting final review and also providers who have not received proper notice about what documentation is missing.
- Establish an expedited appeals and payment process for providers improperly terminated.
- Provide clear timelines for revalidation decisions and appeals.
- Improve provider communication and responsiveness.
- Ensure future program integrity efforts are developed in collaboration with providers, counties, and the disability community.
- Prevent service disruptions and financial harm to providers that have acted in good faith throughout the process.

"Program integrity should strengthen services, not destabilize them," Schettle said. "Minnesotans with disabilities deserve a system that targets fraud without punishing the providers who show up every day to support them. Right now, that is not what is happening."

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About ARRM

The Association of Residential Resources in Minnesota (ARRM) is a statewide association representing providers of community-based services that support people with disabilities to live, work, and participate fully in their communities. www.arrm.org

About MCHA

Minnesota Home Care Association (MHCA) is a non-profit trade association representing home care agencies from across the state. MHCA members include Basic license, Comprehensive license, Medicare-certified, and personal care providers. www.mnhomecare.org

About MHPAM

The Mental Health Providers Association of Minnesota is a non-profit organization of providers representing both for-profit and non-profit mental health providers in the state of Minnesota. These organizations provide a variety of services for adults throughout Minnesota such as: Intensive Residential Treatment Services (IRTS), Assertive Community Treatment (ACT), Adult Foster Care, Adult Rehabilitative Mental Health Services (ARMHS), Crisis Residential Stabilization Services, Targeted Case Management, and many others. www.mhpam.org

About ATAM

ATAM's goal is to make effective therapy accessible to all Minnesota families affected by Autism Spectrum Disorders. We will accomplish this by assuring a sustainable service delivery system that supports the high quality, research supported intervention that is required to improve the lives of people with autism and their caregivers. www.atamn.org

About RPAMN

Our mission is to serve as the unified voice for Minnesota's small and mid-sized Home and Community Based Service (HCBS) providers. We inform, educate, and advocate for policy, economic stability, and the delivery of compassionate, high-quality services across the state. www.rpamn.org