



March 12, 2021

Honorable Governor Tim Walz and Lt. Governor Peggy Flanagan:

Nearly 55 years after it was created by Congress, Medicaid remains a reliable source of support for Americans during times of personal or public crisis. We write to share the perspective of the *This Is Medicaid* coalition as you move to consider revisions to your 2021 budget recommendations. As you know well, the COVID-19 pandemic has not created new systemic issues as much as it has drawn attention to and exacerbated our already existing issues. We believe Medical Assistance (MA) is crucial to addressing these issues, and hope your administration will continue to prioritize MA this session for the good of health, well-being, and equity in Minnesota.

We know that in times of deficit, the pressure to cut can be significant and that MA is a large number on the balance sheet. Because of this, *This Is Medicaid* and its members would like to again thank you for prioritizing the preservation of the MA program in your January budget recommendations, when the budget forecast still showed a projected deficit. As consistent champions of Medicaid, we are encouraged by the improvements shown in the February forecast and the additional revenue headed to Minnesota thanks to the passage of the American Rescue Plan Act, and are confident that you will continue to defend Medicaid throughout the rest of the session.

As you have astutely noted many times over the past year, the pandemic and economic recovery have not been impacting all populations equally. Groups including BIPOC, LGBTQ+, low-income, immigrant communities, people with disabilities, and rural communities have felt greater COVID-19 impacts and also happen to look to Medicaid for their health insurance. Today more than 1.1 million Minnesotans rely on MA for their health coverage: with so much uncertainty in the labor market, that number may continue to grow. *This Is Medicaid* is committed to identifying opportunities to preserve and improve our MA program as we continue to grapple with the pandemic and the compounding health impacts it leaves in its wake.

### **Opportunity 1: Preservation**

Preserving the core of the MA program -- its eligibility standards and benefits -- continues to be our coalition's top priority. *This Is Medicaid* members believe removing the following items from your original budget proposal will help to keep MA strong.

### **Department of Human Services (DHS)**

Blue Ribbon Commission recommendations on durable medical equipment (DME) and non-emergency medical transportation (NEMT) – Given the complexity of the full set of prioritized strategies presented in the BRC Final Report, it is difficult to clearly state full support, opposition or neutrality toward the recommended strategies as a whole. We know that the pandemic derailed the work of the commission, and that the savings continue to be required by the legislation passed in 2019. However, *This Is*



*Medicaid* continues to be most concerned about the impacts of the proposals related to DME and NEMT. We urge you to remove these proposals from your budget when you make revisions.

Disability Waiver Rate Reform for Remote Services Provision – Due to the projected surplus, we ask that you do not reduce rates for remote services. Please consider establishing a new remote support framework that accurately reflects costs associated with remote service delivery. During the COVID-19 pandemic, service providers innovated and adapted to maintain access to essential services while prioritizing the health and wellness of direct support staff and individuals accessing services. Remote supports were key to mitigating isolation and improving social and emotional connection during a public health and economic crisis. As in-person supports begin to increase again, remote supports will remain an ideal hybrid complement.

Telemedicine Expansion in Minnesota Health Care Programs – As we look to overhaul our telehealth statutes, we urge you to drop the objection to audio-only services while also ensuring that audio-only telehealth meets the health needs of all Minnesotans. We understand that DHS has raised equity concerns, and the potential for a tiered system of care. Many of our members have found that audio-only has enabled them to work with clients due to ease of access and comfort. We also recognize that little direct information is available related to patients' direct experiences with telehealth. We encourage DHS to gather more information about the telehealth experiences and health outcomes for MA enrollees, particularly within communities of color. In addition, we strongly support the patient's right to decide how they receive their care. We urge DHS to require informed patient consent for telehealth in order to ensure that patients understand their available options and can choose in-person care instead if they prefer.

Additionally, we would like to highlight the importance of rate parity in the administering of these services. COVID-19 has sped up the need to reform our telehealth system and further modifications will need to be made. Limiting access to service options at this juncture for the stated reasons is overly cautious and the wrong approach.

Realigning Disability and Behavioral Health Grants – With a projected surplus, we request that you eliminate these proposed cuts from your budget. Your January recommendations state that some of these reductions are tied to historic underspending. Knowing that we have ongoing and significant needs for disability and behavioral health services and that the agency's own equity and inclusion statement found likely negative equity impacts, we hope that you will restore this funding. We propose the agency work with stakeholders to avoid underspending moving forward.

### **Department of Health**

Medical Education and Research Cost Reduction (MERC) – The MERC program is an important resource that helps support the training of physical and behavioral health care professionals. Minnesota faces a shortage of workers in many health care roles and putting more burden on our training entities will move us in the opposite direction from what we need.



## Opportunity 2: Improvement

As you remind us regularly, the status quo has not been working for all of us. *This Is Medicaid* urges you to consider these proactive proposals to better serve Minnesotans who are covered by MA as you make revisions to your 2021 budget recommendations.

Direct Increased Federal Medical Assistance Percentage (FMAP) to Home and Community Based Services (HCBS) – The American Rescue Plan Act includes historic and unprecedented investments including a one-year, 10-percent FMAP increase specific to HCBS programs with explicit direction to supplement *not* supplant current HCBS programs. This targeted financial relief will go into effect on April 1, and we urge immediate action to ensure these funds are directed as intended by Congress. These funds have the opportunity to directly benefit Minnesotans who access HCBS Medicaid supports as well as their family, direct staff and provider organizations.

Regional Quality Councils – Established in 2016, Regional Quality Councils are a network of advocates based in the Metro, Southeastern, and Northeastern Minnesota. All three Councils have diverse stakeholder membership, including self-advocate leaders, family members, lead agencies, service providers, DHS staff, and advocates. The Regional Quality Councils engage with individuals through one-on-one discussions, focus groups, informational interviews to learn about their choice and control in housing, employment, direct support, community involvement, safety, and more. Through meaningful connections, they collect and analyze important data on quality of life experiences in these critical areas and make recommendations to policymakers.

Extending MA for New Mothers – Currently, low-income pregnant women in Minnesota who qualify for MA due to pregnancy are only covered 60 days postpartum, but Minnesota can and should go further. According to DHS data, around 10,000 women per year qualify for MA based solely on their pregnancy and nearly 40 percent of these mothers lose health coverage 60 days after giving birth. This creates a severe disparity in coverage. The postpartum period is an important time to provide care in a mother's life. Removing barriers by providing women access to necessary medical and mental healthcare after the birth of their children can improve maternal health outcomes.

Recuperative Care – Under the Affordable Care Act, states are allowed to develop two Medicaid-reimbursable health homes. So far, Minnesota has implemented the Behavioral Health Home. Minnesota should use the second available model to care for our homeless population to ensure they have a safe place to recover after a hospital stay. Recuperative Care is a nationally recognized model that uses short-term care for people experiencing homelessness who are not ill enough to be in a hospital, yet too ill to recuperate on the streets. The proposal this year directs DHS to develop this model that will improve health outcomes, reduce emergency room visits, and increase access to appropriate care.

Housing Stabilization Implementation – Housing Stabilization Services is a new Medicaid benefit designed to help people with disabilities and seniors find and keep housing. This nation-leading program



is a strong acknowledgement that stable housing and supportive services are fundamental to health, and it will allow Minnesota to capture federal funds to expand and strengthen supplemental services for individuals at risk of homelessness. Understandably, developing the infrastructure to support a system transformation as significant as this requires time and resources which have been complicated by the COVID-19 pandemic response, and providers now face immense challenges for meeting a July 1 implementation deadline. We ask for your support in extending this timeline and providing additional technical assistance needed to ensure providers are prepared to maximize this program and continue serving clients without interruption.

Medicaid Directed Payments – Nearly half of patients served in the Hennepin Healthcare system, the statewide safety-net health system, use Medicaid for their health care coverage. *This Is Medicaid* supports Hennepin Healthcare’s request that DHS apply to the Centers for Medicare & Medicaid Services to access Medicaid Directed Payments. These payments are necessary this year to stabilize Minnesota’s safety-net health system so services that disproportionately impact lower-income communities and communities of color with greater social and medical complexity will remain accessible into the future.

Periodontal Coverage for Adults – Periodontal disease is an infection of the tissues and bones that surround and support the teeth; it is one of two diseases of the mouth and treatment of this disease is not currently covered for Medicaid enrollees. When left untreated, it can cause tooth loss and has been linked to major health problems including heart disease, strokes, and preterm birth. Patients deserve to have all of their oral health needs met and Medicaid recipients shouldn’t have to wait until their gum disease makes them very ill before it can be treated. If periodontal disease is left undertreated, it can lead to more expensive treatment for other health problems, as well as to hospitalizations.

PCA Rate Framework – Minnesota’s PCA program, accessed by 44,000 people, has long been one of the most cost-effective Medicaid programs in our state, helping older adults and people with disabilities live and work as independently as possible in their communities and avoid more costly services or congregate care settings. Today, this program and the people who depend on it are in crisis. Over the last 12 years, the program’s reimbursement rate has only been increased by \$1.56 per hour -- an average increase of less than 13 cents per year. The average PCA makes approximately \$12.38 per hour - resulting in high turnover, reducing quality, and creating instability in the lives of people with disabilities and older adults. We need a cost-based, data-driven rate framework for PCA services that will better support wages for care providers and increase quality of care for those individuals receiving services. The framework is desperately needed as, under current law, DHS has a very limited ability, based on limited wage data currently reported to them, to calculate the cost of providing PCA services. As a result, previous budgets have chronically underfunded this vital service.

Temporary Personal Care Assistance (PCA) Compensation Extended for Services Provided by a Parent or Spouse – Throughout the COVID-19 pandemic, Minnesotans who have disabilities of all ages have faced challenging decisions about the individualized supports that help them live and thrive in their homes.



Many have weighed the need for these supports against the risks of contracting coronavirus -- a decision no one should ever have to make. The temporary policy allowing parents and spouses to provide PCA services has helped alleviate some of the stressors of the pandemic, ensuring that family members can be paid to provide critical supports for their loved ones, while reducing the risk of viral transmission. This legislation helps ensure that parents of children who have disabilities and spouses of adults who have disabilities are able to continue providing PCA until the new Community First Services and Supports program is fully implemented.

Reinstate Community Access for the PCA Program – People who use the PCA program often struggle to access transportation to work or other community activities. The PCA program does not currently permit PCA agencies to bill for time a PCA spends driving the person using their services, however the PCA must be paid for the time. Allowing PCAs to drive as part of their service would make the PCA program, a critical Medicaid service, more equitable and better able to support people who have disabilities to live and work in the community. This is also critical right now when many people who have disabilities need transportation in light of COVID-19, such as transportation to vaccine appointments.

Create a Service for Individualized Direct Support During Hospital Stays – Recent changes in federal Medicaid policy allows states to authorize reimbursement for Personal Care Assistants and Direct Support Professionals for time spent supporting individuals during short-term, acute hospital stays. Many HCBS providers already provide this support without reimbursement which is unsustainable. Creating a reimbursement pathway will protect this essential support, improve collaboration between individuals receiving care and their providers, and help people receiving person-centered, continuous, and culturally-responsive care.

This pandemic has tested us all in ways that we could not imagine, and many Minnesotans have experienced great loss. *This Is Medicaid* hopes that we can take our collective lessons from this past year to improve our systems to support Minnesotans as they recover, and better serve them into the future. We know that you share this desire. Thank you for your leadership, and we look forward to working with you to create the Minnesota we all deserve.

Sincerely,

*This Is Medicaid* Coalition

AARP Minnesota

Access Press

Allina Health

American Cancer Society Cancer Action Network

American Heart Association



Amherst H. Wilder Foundation

ARRM

AspireMN

Be The Match

Care Providers

Catholic Charities of St. Paul and Minneapolis  
Catholic Health Association

Children's Defense Fund - Minnesota

Children's Minnesota

Clare Housing

Community Involvement Programs

Dental Access Partners

Epilepsy Foundation of Minnesota Gillette

Children's Specialty Healthcare

Hammer Residences, Inc.

Health Access MN

Hennepin Healthcare System

Jewish Community Relations Council of  
Minnesota and the Dakotas

Joint Religious Legislative Coalition

JustUs Health

Leading Age Minnesota

Legal Services Advocacy Project

The Leukemia and Lymphoma Society

Lifeworks, Inc.

Living Well Disability Services

Lutheran Social Service of Minnesota

Minnesota Association of Community Health  
Centers

Minnesota Brain Injury Alliance

Minnesota Budget Project

Minnesota Chapter of the American Academy  
of Pediatrics

Minnesota Coalition for the Homeless

Minnesota Council of Nonprofits

Minnesota Doctors for Health Equity

Minnesota Elder Justice Center

Minnesota Family and Advocate Coalition

Minnesota First Community Solutions

Minnesota Health Care Safety Net Coalition

Minnesota Hospital Association

Minnesota Medical Association

Minnesota Social Service Association

NAMI Minnesota

National Multiple Sclerosis Society

Nexus