



Build PCA/CFSS Rate Framework into Budget Forecasts

HF 696 Representative Frederick / **SF 695** Senator Fateh

The Personal Care Assistance (PCA) program, accessed by 44,000 individuals across Minnesota, is one of the most cost-effective Medicaid programs in our state, helping older adults and people with disabilities continue to live in their own home and participate in their community. The PCA program is also the most diverse, 63% of service recipients are Black, Indigenous and People of Color (BIPOC). A majority of the workers are women and also BIPOC.

The services provided by PCAs, who help with a wide range of personal supports, has been a critical lifeline for thousands of our neighbors, family members, and friends since the 1970s.

Today, Minnesota's PCA program – and the individuals who depend on it – are in crisis.

The PCA program continues to be one of the **lowest** reimbursed services with a reimbursement rate that is much lower than similar type services.

Since 2015, the PCA reimbursement rate has not kept up with the increases in wages in the PCA Collective Bargaining Agreement. Since then, wages have increased **86%** while during this same time the reimbursement rate has only increased **41%**. In the Governor's current budget proposal, wages will increase by **\$3.75** while the reimbursement rate will only increase by **\$3.32**. This continued shortfall creates a problem for program recipients, PCA agencies, and the PCA program itself.

Many PCA agencies are BIPOC owned. If PCA agencies fail, all Minnesotans will suffer. Less diversity in our pool of providers, reduces the ability of recipients to receive care from member of their community who speak their language and respect their culture.

To ensure the sustainability and improve the quality of Minnesota's PCA program, we must:

Increase funding in the PCA/CFSS rate framework passed into **law** two years ago and include language that would build cost-based adjustments into the reimbursement rate over time. This continued investment is essential to support higher wages for workers and for individuals receiving services to be able to recruit and retain workers.