

Date: 3/15/2026

To: Sen. John Hoffman, Chair, Senate Human Services Committee

Sen. Jordan Rasmusson, Ranking Minority Member, Senate Human Services Committee

Rep. Mohamud Noor, Co-Chair, House Human Services Finance and Policy

Rep. Joe Schomacker, Co-Chair, House Human Services Finance and Policy

From: Minnesota Department of Human Services

RE: Long-Term Services and Support (LTSS) Advisory Council Legislative Progress Report

Background

The 2025 Minnesota Legislature passed [Minnesota Laws, 2025 1st Special Session, chapter, 9, article 2, section 58](#), directing the Department of Human Services (DHS) to establish the Long-Term Services and Supports (LTSS) Advisory Council. The role of the LTSS Advisory Council is to recommend policy and assist the Legislature to:

- Reduce cost growth in LTSS
- Build greater efficiencies into the LTSS system, and
- Improve the lives of Minnesotans with long-term care needs.

DHS contracted with Public Consulting Group LLC (PCG) to facilitate the LTSS Advisory Council, as well as provide policy research and analysis, data analysis, and administrative support for the development of the Council's recommendations and related materials.

The LTSS Advisory Council is working to provide recommendations to the Legislature by December 1, 2026, to save \$177,542,000 for the State Fiscal Year (SFY) 2028–2029 biennium. The LTSS Advisory Council meets every other month from October 2025–December 2026 to develop these recommendations. To meet the cost savings target, the LTSS Advisory Council is considering:

- Approaches to reducing human service expenditures
 - Including identifying strategies for addressing the significant cost drivers of state spending on LTSS
- Cost-saving reforms
 - Licensing requirements, service standards, provider qualifications, and provider duties and responsibilities

- Eligibility requirements for accessing long-term care
- Covered services, service authorizations, service limits, and budget limits
- Rate methodologies, rate enhancements and add-ons, rate exceptions, and rate limits
- Any other cost-saving reforms to medical assistance LTSS and other programs serving Minnesotans with long-term care needs
- Alternative service models
- Strategies to improve administrative efficiencies and improve program simplification within publicly funded long-term services and supports programs
- Opportunities for reducing fraud and improving program integrity

The LTSS Advisory Council will consider the following of Minnesota’s LTSS programs for older adults and people with disabilities as potential areas of savings:

- Alternative Care (AC) program
- Brain Injury (BI) waiver
- Community Alternative Care (CAC) waiver
- Community Access for Disability Inclusion (CADI) waiver
- Community First Services and Supports (CFSS) and Personal Care Assistance (PCA)
- Developmental Disabilities (DD) waiver
- Elderly Waiver (EW)
- Essential Community Supports (ECS)
- Nursing facility services

LTSS Advisory Council Formation

The LTSS Advisory Council held its first meeting in October 2025. Twenty-seven (27) of the seats are filled. Current appointees include:

- **Colin Stemper**, Chair, Commissioner of Human Services or Designee; appointed by DHS
- **Roxanne Portner**, Chief Executive Officer of Direct Care and Treatment or Designee; appointed by Direct Care and Treatment
- **Allison Le**, Person Living with Serious and Persistent Mental Illness; appointed by the National Alliance on Mental Illness-MN (NAMI-MN)
- **Jillian Nelson**, Person with Disabilities Living Independently; appointed by The Arc of Minnesota
- **Lance Hegland**, Person with Disabilities Living in Community Residential Setting; appointed by The Arc of Minnesota
- **Genevieve Gaboriault**, Advocate for Older Adults Using Long-Term Care Services; appointed by the Ombudsman for Long-Term Care
- **Lisa Antony-Thomas**, Advocate for People with Mental Illness or Developmental Disabilities Using Long-Term Services and Supports; appointed by the Ombudsman for Mental Health and Developmental Disabilities
- **Jonah Giese**, Advocate for People with Disabilities; appointed by the Minnesota Disability Law Center
- **Lisa Vala**, Advocate for People with Disabilities; appointed by the Arc of Minnesota

- **Tarryl Clark**, County Representative from Greater Minnesota; appointed by the Association of Minnesota Counties
- **Alexandra Kotze**, County Representative from Twin Cities Metro Area; appointed by the Association of Minnesota Counties
- **Nicole Hansen**, County Representative from Greater Minnesota; appointed by the Minnesota Inter-County Association
- **Barbara Weckman Brekke**, County Representative from Twin Cities Metro Area; appointed by the Minnesota Inter-County Association
- **Patrick Meacham**, County Social Services Worker from Greater Minnesota; appointed by the Minnesota Association of County Social Service Administrators
- **Louella Kaufer**, County Social Services Worker from Twin Cities Metro Area; appointed by the Minnesota Association of County Social Service Administrators
- **Jay Johnson**, Community First Services & Supports Provider; appointed by the Minnesota First Provider Alliance
- **Lori Schluttenhofer**, Home & Community-Based Services Provider—Day Service Provider; appointed by the Minnesota Organization for Habilitation and Rehabilitation
- **Anna Hegland**, Home & Community-Based Service Provider—Own Home Service Provider; appointed by the Association of Residential Resources in Minnesota
- **Zahnia Harut**, Home & Community-Based Services Provider—Community Residential Services Provider; appointed by the Residential Providers Association of Minnesota
- **Darla Thompson**, Home Care Services Provider, appointed by the Minnesota Home Care Association
- **Jennifer Ballinger**, Tribal Nations Representative involved with Administration of Social Services; appointed by the Minnesota Indian Affairs Council
- **Sherry Gustafson**, American Federation of State, County, & Municipal Employees Member; appointed by the American Federation of State, County, & Municipal Employees
- **Richard Varco III**, Service Employees International Union Healthcare Member; appointed by the Service Employees International Union Healthcare MN and Iowa
- **Patricia Wright**, Former Waiver Reimagine Advisory Committee member with advocacy experience and a family member who either has disabilities or is an older adult using medical assistance; appointed by the Commissioner of Human Services
- **Sherri Pickthorn**, Former Waiver Reimagine Advisory Committee Member with professional experience with Disability Waiver Services and has either a family member with disabilities or who is an older adult using medical assistance; appointed by the Commissioner of Human Services
- **Addyson Carpenter**, Former Waiver Reimagine Advisory Committee Member who has a child with autism using medical assistance services; appointed by the Commissioner of Human Services
- **Musab Khalif**, Long-Term Services and Supports Provider; appointed by the Community Provider Alliance

Three seats (3) are open and have not been filled by their appointing authorities. Those seats and appointing authorities are:

- **Open/Posted**, Person Receiving Elderly Waiver Services; appointed by Elder Voice Advocates

- **Open/Posted**, Nursing Facility Service Provider for Older Adult & People with Disabilities; appointed by the Long-Term Care Imperative
- **Open/Posted**, Tribal Nations Representative Involved with Administration of Social Services; appointed by the Minnesota Indian Affairs Council

LTSS Advisory Council Activities

To date, the LTSS Advisory Council met three times: October 30, 2025; December 18, 2025; and February 19, 2026. The meetings focused on establishing a common understanding of council members and expectations, collecting and analyzing information to inform potential recommendations, and establishing processes to conduct the work.

Before the first meeting in October, council members completed a survey to provide their initial perspectives on ideas for decreasing LTSS spending and improving efficiencies, as well as important values to hold as the LTSS Advisory Council started its work. Additionally, council members received a briefing document with historical information relevant to the Council's scope, details on the current state of LTSS, an initial set of considerations, and what to expect as a council member.

The following is a summary of the topics covered or activities completed during the first three meetings:

- Conducted member introductions
- Developed meeting agreements and the LTSS Advisory Council's charter
- Reviewed and discussed the results of the council member survey
- Reviewed the services and SFY 24 total expenditures, the number of Minnesotans served, and average yearly cost per person for each of the 9 LTSS in-scope programs
- Discussed the process for forming workgroups
- DHS led a presentation on LTSS spending and fiscal notes that focused on an overview of the DHS budget, spending trends in LTSS, fiscal notes, and the financial objective of the LTSS Advisory Council's recommendations
- Reviewed trends in national efforts to achieve LTSS cost savings
- Reviewed and discussed data analysis for Minnesota's current baseline LTSS spending and trends

Past and future meeting times, dates, locations, and materials are available to the public on the DHS website: [Long-Term Services and Supports Advisory Council / Minnesota Department of Human Services](#).

Workgroups

The LTSS Advisory Council formed three workgroups based on the main levers states have to target policy and fiscal changes with the goal of reducing Medicaid Spending: *Eligibility* (requirements to receive services), *Benefits* (amount, duration, and type of services provided), and *Provider Rates* (reimbursement for providers to deliver services). These workgroups provide a forum where smaller groups can develop ideas for cost-savings recommendations to bring to the full LTSS Advisory Council. Decision-making on recommendations will occur during full LTSS Advisory Council, not during workgroups.

Council members were assigned to serve on at least one workgroup based on their primary area of interest. The workgroups began meeting in January 2026 and will meet monthly through December 2026. The initial meetings focused on identifying ideas for cost savings recommendations based on the scope of the workgroup and the data and/or additional information needed to evaluate potential impact. They will report a summary of their discussions and recommended ideas during meetings of the full LTSS Advisory Council.

Research and Evaluation

DHS is working with PCG to conduct the research and evaluation needed to help the LTSS Advisory Council identify the targeted cost savings. This work includes analyzing the current state of LTSS spending in Minnesota and evaluating any recommendations for feasibility; impact (including financial impact); alignment with community partners' values, opinions, preferences, and perceptions; and alignment with national trends and best practices.

Research on National Trends in LTSS Cost Savings

At the direction of DHS, PCG researched trends at the federal and state level to address the continuing rise in the volume and cost of LTSS. PCG provided DHS with a report—*LTSS Cost Savings: Federal Best Practices and National Trends*—that summarizes strategies Minnesota could employ to reduce LTSS costs. The report found that the primary drivers of increasing LTSS spending include:

- The growing population needing LTSS, including the aging population and those with Intellectual or Developmental Disabilities (IDD)
- Higher needs among those being served, such as behavioral health needs or complex conditions
- Staffing shortages among HCBS providers, which make it more difficult for states to encourage HCBS, rather than higher-cost institutions, as a solution for LTSS

At the highest level, state Medicaid agencies manage costs by adjusting eligibility, benefits, and/or provider rates. Within each of these categories, there are multiple strategies that states employ. Such strategies include rebalancing, leveraging technology, Value Based Payments (VBPs), Medicaid Managed Care, county/state cost sharing, spending caps, and provider rate reductions. The report concluded that to successfully bend the long-term LTSS cost curve, states like Minnesota must use a multi-faceted approach.

Moving forward, the sustained viability of the Minnesota LTSS system depends on the state integrating a variety of strategies that balance state and local fiscal restraints with the needs of participants, thereby ensuring high-quality care is delivered efficiently and cost-effectively to all populations.

Community Partner Engagement Survey

In consultation with the Council, PCG and DHS developed a community partner engagement survey to gather community partners' opinions and feedback on what they believe to be the most efficient and least harmful cost savings opportunities. PCG will distribute the survey to multiple audiences, including individuals who receive LTSS; family/caregivers of individuals who receive LTSS; leadership for organizations that provide LTSS; direct care workers; and individuals who work for a county, managed care organization, and/or Tribal Nation. From

these audiences, the survey will gather different perspectives and balanced data to provide context the LTSS Advisory Council can use as they evaluate recommendation ideas.

The LTSS Advisory Council and DHS provided suggestions on appropriate types of questions and wording for each audience, which PCG incorporated into 36 questions split across the audiences.

Examples of questions include:

- What do you want the LTSS Advisory Council to know about [LTSS] services? For example, you can talk about what services are most important to you and why or what changes you would like to see made to your services and why.
- What is the most used category of service your organization provides?
- Do you have any feedback or suggestions for reducing costs in the service provision process?

PCG used Alchemer, an online survey platform, to design the survey and incorporated best practices for accessibility both during planning and building the survey in Alchemer. The survey will also be translated into common languages used in Minnesota. PCG distributed the survey in early February 2026 and will analyze the responses to help the Council make informed decisions when finalizing cost savings recommendations.

Financial Analysis

PCG is analyzing Minnesota's current LTSS expenditures, cost drivers, and projected growth. PCG is assessing the impact of cost drivers such as changes in caseload, service utilization, service rates, and administrative expenses. PCG, in coordination with DHS, presented the initial analysis to the LTSS Advisory Council during their February 2026 meeting to provide context as they brainstorm and deliberate on recommendations.

As the work of the LTSS Advisory Council progresses, PCG will analyze the projected financial impact of cost savings recommendations and help the Council identify high-impact savings areas to explore.

Conclusion

The LTSS Advisory Council has made progress in establishing its membership, governance structure, workgroups, and analytical foundation to support the development of thoughtful, data-driven cost savings recommendations. Through collaborative engagement, analysis of national research, and input from community partners, the LTSS Advisory Council is organized to deliver recommendations that address cost growth while preserving access to LTSS for Minnesotans. DHS will continue to support the LTSS Advisory Council's work in preparation to submit the final recommendation report to the Legislature by December 1, 2026.