

Minutes: NHWSB Waivers and Variances Workgroup

Date: Thursday, July 24, 2025

Minutes prepared by: Linnea Becerra

Location: Hybrid – Washington Room at the Department of Labor and Industry and via Webex

Attendance

Members present	Visitors present	DLI staff members present
Kim Brenne (remotely)	Jeff Bostic	Linnea Becerra
Jamie Gulley	Brian Elliott (remotely)	Paul Enger
Maria King (remotely)	Jolene Kjelshus (remotely)	Ken McGurran
Katie Lundmark (remotely)	Mark Schulz (remotely)	Leah Solo

Agenda items

- 1. Call to order** – the meeting was called to order by Executive Director Leah Solo at 3:04 p.m. Roll call was taken. A quorum was declared.
- 2. Approval of agenda** – a motion to approve the agenda as presented was made by Jamie Gulley and seconded by Kim Brenne. A roll call vote was taken and the motion passed unanimously.
- 3. Approval of drafted meeting minutes** – a motion to approve the Dec. 5, 2024, drafted meeting minutes as presented was made by Gulley and seconded by Brenne. A roll call vote was taken and the motion passed unanimously.
- 4. Board updates** –
 - Executive Director Solo started by saying the biggest goal of this meeting is to more clearly define “risk of” and “due to compliance.” Solo walked through the “Risk of closure, due to compliance” memo, first saying staff members are still working to find resources to assist the board in defining these terms. Solo went through some studies and reports explaining why nursing homes close, as well as themes from the resources provided. Gulley added that an old building or one that would take a lot of resources to update is another common reason he sees for closure. Maria King said difficulties in recruitment and in filling positions in rural communities are other factors for closing, even with an increased wage. Gulley added that in rural communities, having a close college that certifies LPNs is a contributing factor to whether there are people with the qualifications to perform the work. Todd Bergstrom added that some of these areas don’t have the population to staff the facility. He said chain facilities will often support the least successful facility in their chain, but will eventually stop. Katie Lundmark added that recruitment is a barrier, eight hours a day of RN nursing staff is a barrier, and time taken to travel for background checks and layers of regulations can lead to closures. Gulley asked if hospital-attached facilities often go into receivership before closure; both Brenne and Lundmark said no. King said there’s a workgroup at the Department of Health working on a project to help facilities that are at risk, which has non-public data they have pulled that would indicate if a facility is at risk. Bergstrom said that since 2000, there have been 119

closures, 73 of which have been in Greater Minnesota. It was stated receiverships are few and far between and come with very grave circumstances. Brenne reminded the group receiverships don't always result in closures. She also said a lot of closures come from not fully understanding their financials, mismanagement, inability to pivot, etc. Bergstrom noted that, in addition to difficulty staffing for floor positions, there's difficulty staffing administrative roles, particularly in very rural areas.

- Solo asked the group, if there's not one reason or one indicator that says a facility will close, how do you tie a waiver application to the "risk of closure"? Gulley pointed to the occupancy rate, said the group did not include it on the application and wondered if that would be a good indicator. Bergstrom said a better indicator is census. There was discussion about the difference between census and occupancy.
- Based on a previous comment, Solo asked if out-of-state ownership should be a question on the application. Brenne said anecdotally, more in receivership had out-of-state owners, but the majority of closures did not have out-of-state owners. Discussion indicated it was not a criteria for risk of closure.
- Gulley suggested surveying employers about ideas for closure and said occupancy and census seem like a good way to determine risk of closure.
- There was discussion about whether high occupancy from Medicaid patients was a potential criteria for risk of closure. Skepticism was expressed based on rate equalization, an increase in Medicaid reimbursement over the years and other factors, such as facilities receiving an add-on for private rooms and acuity levels of patients.
- Solo discussed the idea of a checklist from the full board meeting. She posed that instead of checklists, maybe buckets – such as financials, census and unchangeable factors (hospital attached, rural, in a chain, etc.) – could be useful. Bergstrom said he has a list compiled with Jeff Bostic that indicates reasons a facility would close and will check with Bostic to see if it can be shared with the group.
- King added that her staff has identified 124 facilities that have closed in the state of Minnesota since January 2000 and will get the workgroup those data points, including location.
- Lundmark suggested looking at the facilities that have closed since values-based reimbursement (VBR) was enacted and to look at some of the factors that led to closure.
- Solo discussed next steps, including hearing from King and Bergstrom, as well as other categories to define. The group still needs to discuss the term "due to compliance" and needs to look at the current application to see if there are items that could be taken off, such as trial balances.

5. New business –

6. Next meeting – the next meeting is Thursday, Aug. 7, at 9:30 a.m.

Adjournment

A motion was made by Gulley to adjourn the meeting at 4:03 p.m. and was seconded by Lundmark. A roll call vote was taken and the motion passed unanimously.