

## Minutes: NHWSB Waivers and Variances Workgroup

Date: Thursday, Sept. 4, 2025

Minutes prepared by: Linnea Pignatello

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	Todd Bergstrom	Linnea Pignatello
Jamie Gulley	Brian Elliott	Paul Enger
Maria King (joined remotely at 9:35 a.m.)		Ken McGurran
Katie Lundmark (remotely)		Leah Solo

### Agenda items

- 1. Call to order** – the meeting was called to order by Executive Director Leah Solo at 9:32 a.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 Aug. 7, 2025, 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** –
  - Brenne updated the group that most of the nursing facilities have received their rate notices this week.
  - Executive Director Solo began the meeting by instructing the group to continue the “Due to compliance” discussion on Scenario 1. Brenne said the group did not make a decision about whether the facility will be approved for a waiver or variance, and the board would need to ask more questions. Solo read Scenario 2 aloud for the group. Maria King said this is just a facility threatening to close and if the group granted the waiver, then more facilities would use a threat to get a waiver. Katie Lundmark said the group needs some benchmarks so the decisions are objective and not subjective. Todd Bergstrom added that the wage compression issue is prevalent in Greater Minnesota and is a topic worth discussing. Gulley asked how long it takes to sell a facility and whether a facility be granted a waiver while they close? King said the time frame for closing varies, but it is on a case-by-case basis and the board cannot have a process that grants waivers based on threats. Brenne used the tool in the document and said that based on the lack of financials, the waiver would be denied. Solo surmised from the discussion that this application would be denied unless more information was provided.

- Solo read Scenario 3 aloud and directed the group to the discussion tool – Financials, Folks (census), Fixed and Flexible Factors. Discussion ensued with King saying the issues and future are clear. Brenne said the group would need to see the applicants’ financials and census for the past couple months, but also noted that many things can change in a year, much less two. Bergstrom said the plan to come to into compliance by looking for a donor is not realistic and is not a good plan. Paul Enger (Office of General Counsel) asked the board to consider what to do when a facility does not have a realistic plan to come into compliance, as discussed in the scenario. King said a facility would, hopefully, have reached out for help before a request for a waiver. Brenne suggested a question on the application to filter for that, such as “Have you reached out to the Department of Human Services?” Enger reminded the group that the focus is to improve working conditions for nursing home workers. Gulley asked if the time frame for a potential waiver would be better at one year, rather than two. Brenne suggested the waiver be for the remainder of the calendar year and then the next full rate year.
- Solo said the group should decide what the process for follow-ups are and a standard timeline for the waivers. Brenne asked if there are pieces the board can add to the application, instead of following up with the applicant.
- Bergstrom shared survey results from April 2023 regarding closure, showing that a higher percentage of facilities were considering closing in Greater Minnesota as opposed to the seven-county metropolitan area. The facilities considering closing versus not considering closure had large discrepancies in breach of covenant with financial institution, limiting census due to inability to staff to full capacity, physical plant deficiencies that require at least \$100,000 to remedy, staffing availability and receiving little to no interest for vacant positions. Brenne pointed out that breach of covenant should be in the application, as well as census questions. King asked if another round of this survey has been done since 2023; Bergstrom said it has not been administered again. Gulley asked if they had a good response rate and Bergstrom responded that it did. Gulley asked if the facilities that indicated they were considering closure actually did close; Bergstrom stated he did not know and that data could be helpful. Lundmark suggested tracking the highlighted questions.
- Solo wrapped up the meeting stating the workgroup should have an updated process by the October full board meeting. Staff members would update the application, bring it to the next meeting, get feedback, edit the application and bring it back to the workgroup for approval before Oct. 9, 2025.

## 5. New business –

- **Next meeting** – the next meeting is Wednesday, Oct. 1, at 10 a.m.

## Adjournment

A motion was made by Lundmark to adjourn the meeting at 10:31 a.m. and seconded by Gulley. A roll call vote was taken and the motion passed unanimously.