

Minnesota group home capacity shrinks amid staffing shortages

For the first time since 2019, the number of group home licenses has fallen.

By [Glenn Howatt](#) Star Tribune

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ANTHONY SOUFFLÉ, STAR TRIBUNE

Minnesota Human Services Commissioner Jodi Harpstead said the number of group home closures this year was “alarming.”

Facing ongoing worker shortages, the number of group homes in Minnesota fell for the first time in the past three years.

The state lost 32 group homes in the last quarter of 2021 with 3,858 homes licensed to provide care to people with disabilities. Until then, the number of homes was growing as the number of new homes exceeded those that closed.

More closures are on the horizon. Ten group homes operated by Cardinal of Minnesota in Olmsted and Winona counties are scheduled to close on Saturday. ACR Homes said it will close four of its homes by mid-March.

Altogether, 59 group home residents will be displaced by the closures announced in just the first two months of 2022 — that's more than half of the 109 residents who had to find new homes because of closures in 2019, the most recent high.

"I am nervous that this is the beginning, not the end, of the challenges," said Sen. Jim Abeler, R-Anoka, chair of the Minnesota Senate's Human Services Reform Finance and Policy Committee, on Tuesday. "At this point everybody is in a crisis mode."

The industry has long faced worker shortages, but the COVID-19 pandemic made things worse as some staff got ill or needed to care for infected family members.

Because their pay rates are set by Minnesota law, group homes find it difficult to compete with retail and other industries where hourly wages are increasing.

The state rate "is not enough to effectively compete with other employers that can offer more pay with less demanding work," said Gene Leistico, chief operating officer at ACR Homes.

The four homes that ACR announced will be closing will displace 14 people, according to the Minnesota Department of Human Services. County case managers so far have found places for seven, while two have moved in with their families.

Leistico said the state pays about \$16 an hour for each resident, but the amount paid to workers is less because some of the payment is used for operating costs.

Although the Legislature passed a rate increase that went into effect in 2022, he said rates need to be increased so that group homes can pay workers at least \$20 an hour.

He said staffing is 30% below what it should be. Although ACR hired 519 employees in 2021, 703 quit.

Cardinal, which also has a 30% deficit in its workforce, said it has been unsuccessful in hiring and keeping workers despite offering incentives.

"None of that really seemed to make a difference or enough of a difference," said Michelle Priggen, chief executive at Cardinal. Because of that, the organization made the decision to "downsize the organization to something that we felt like was more manageable to better insure the safety and the health of our clients."

Of the 26 people affected by the closure of the 10 Cardinal homes, five will be able to remain in the same home because another provider will take control of the residence. Four will be moved to other Cardinal homes, and 17 have been placed in other locations, according to DHS.

Human Services Commissioner Jodi Harpstead said the number of recent closures has been "alarming."

"We have no information that anyone has fallen through the cracks," she said. "I don't know how long that will last."

The Minnesota Legislature is considering a bill that would set up a temporary staffing pool that can be used to fill gaps when homes are short-staffed. It will continue a program that ended in December, which was set up as part of the state's COVID-19 response.

"Over time we are going to have to find even stronger ways to support this sector so it can find its way to a new normal, whatever that may be," Harpstead said.

Glenn Howatt has been with the Star Tribune since 1990 where he has specialized in health care reporting and data journalism.

glenn.howatt@startribune.com [612-673-7192](tel:612-673-7192)