



District Dialogue: Minnesota Disability Waiver Services

Who Are Minnesota's Disability Waiver Service Providers?

Disability waiver service providers are organizations and individuals who deliver essential, community-based supports to people with disabilities. These providers serve individuals enrolled in one of Minnesota's four Medicaid waivers: Developmental Disabilities (DD), Community Access for Disability Inclusion (CADI), Brain Injury (BI), and Community Alternative Care (CAC). Services include support for daily living, employment assistance, behavioral supports, respite care and transportation, to name a few.. These providers ensure people with disabilities have the support they need to live independently, safely, and with dignity in the community they choose, avoiding costly and isolating institutional care. **Waiver services are separate from Personal Care Assistants (PCAs).**

What Happened During the 2025 Minnesota Legislative Session?

The 2025 legislative session resulted in significant budget cuts to Minnesota's disability waiver system. In response to a projected deficit, lawmakers imposed a cap on future inflationary increases, limited access to rate exceptions, and imposed new limits on the Unit-Based Services that are accessed by people living independently, in their own homes.

While intended to "curb the growth" of waivers and reduce spending, these measures will impact the sustainability of disability waiver services and the support available for people with disabilities. Waiver service providers face rising costs, staff recruitment challenges, and increasing service demands. All of this is threatening the long-term viability of supports that people rely on to live in the community.

What about Federal Impacts?

Medicaid cuts threaten disability care and those receiving services. Through the OBBA, state reductions in Medicaid mean optional services like HCBS services will face significant cuts. Because 35% of adults with disabilities receive Medicaid in some form, they are disproportionately impacted when services partially or fully funded by Medicaid are cut.

Issues Facing Providers

- **Workforce Crisis:**
Providers cannot compete with wages offered in other industries. Recruitment and retention of direct support professionals remains the number one challenge in sustaining services.
- **Rising Costs:**
Transportation, housing, training, and compliance costs are all increasing—but provider rates are not keeping up. This creates structural deficits for many organizations.
- **Rising Expectations:**
Families, counties, and the state increasingly expect individualized, flexible, and person-centered services. Providers want to meet these expectations but need the resources and support to do so.