

**Date: 09/26/2011**

**To: All PCA Employees & Clients**

**Re: PCA Wage Reductions & Family Relation Disclosure**

We regret to inform our Clients and PCAs of some bad news. Over the summer our state faced a long budget battle at the state capital, and many tough decisions were made by our elected officials including cuts made to the Department of Human Services programs. The few details of the changes were outlined in newspapers and blogs but the official notice from the MN Department of Human Services was sent to us in the last two weeks.

All PCA providers will have state reimbursement cut in the following ways:

1. All PCA service reimbursement rates were cut by 1.5% starting Sept. 1, 2011. This is for ALL PCA providers, not just us. As providers we base PCA wages on the rate the state pays us for your PCA services which now forces us reduce PCA wages for existing employees and new hires effective 10/1/2011. **We will be reducing all current employee's pay by \$0.25 per hour for all hours worked starting Oct. 9, 2011.** As a result all new PCA hires starting wages will be \$11.00/hr.
2. All family members providing PCA cares for you (parents, grandparents, siblings, adult children, adult grandchildren which are either by blood relation or legal adoption) will take a much larger cut. The state cut PCA service rates by 20% on top of the above cut, when the PCA is an immediate family member (In-Laws and non-related legal guardians are not affected by this new policy). We are among many PCA providers truly stunned by this cut, we have no idea why the state felt it was important to target family members providing PCA services to help save money on the budget shortfall, when the cares provided are the same no matter who provides the cares. **As a result of this rate cut, we have no choice but to reduce the hourly wages of immediate family members to be \$9.00 per hour effective with hours worked beginning on Oct. 1, 2011.**
3. In certain special situations we have provided written authorization for some clients to allow overtime for their PCAs, **due to these new rates we will no longer allow ANY overtime for family members working as a PCA effective 10/1/2011.**
4. **All PCAs must immediately complete and fax or mail us the form titled "Individual PCA Relationship Acknowledgement"**. This is a new form required by DHS failure to complete the form will result in suspension.

We realize this is very short notice, this is completely out of our control. We wish we could delay the reduction, however we would be out of business quickly as we would lose money on the 1,200+ hours of services per week. Over the last 3 years there were previous rate cuts forced by the state that we weathered without reducing wages on existing PCAs, making only new hire wages lower. With these continued cuts we are not able to continue to pay current PCA wages as-is and be able to stay in business long. We do not agree with any of these cuts, but overall we know many other states home care programs still do not come close to what we have here in MN.

As a citizen of Minnesota YOU are encouraged to let your local legislative district representatives know how these cuts impact our PCAs and Clients. On our web site we will be providing information on where you can send your personalized comments and letters (form letters tend to be less influential).

Respectfully,

Joshua Holler  
Ability Care Partners, Inc.