



April 7, 2021

Dear Chair Schultz and Members of the House Human Services Finance and Policy Committee:

On behalf of MACSSA, AMC and MICA, we write to provide feedback on several proposals included in HF2127 (Schultz), the committee's omnibus bill.

COUNTY SUPPORT ITEMS:

Codification of waivers

Peacetime emergency waivers and modifications issued by DHS have permitted county staff to change the delivery method of services without sacrificing service quality by doing such things as conducting client meetings via video and processing enrollment paperwork remotely. This has resulted in the capability to provide greater flexibility in serving residents, as well as more choices for how they interact with the county and the community partners who share this work with us. We appreciate the committee recommending permanent extension of the **exceptions to the absence policy in housing supports**.

Allowing this flexibility is critical to protect those individuals who need extended medical treatment or hospitalization from losing housing. We know that stability in housing is so crucial for those seeking treatment, and this flexibility prevents unnecessary churn and support stability for those who qualify for housing support and are facing other medical challenges. This provides for an extended absence when an individual is absent due to residential behavior health treatment or inpatient health care treatment. As an example, there are times when people have had to choose between retaining their housing or seeking medical care or treatment services. This flexibility has allowed people to not have to make this difficult choice and to actively engage their healthcare without worrying about their housing.

Repayment of county dollars

We are grateful for the committee's position to hold counties harmless from state errors related to billing for substance use disorder treatment in institutions of mental disease (IMDs). We thank the committee for recognizing the strain that state billing errors related to substance use disorder treatment put on county budgets and your consideration of state funds to reimburse counties for those costs.

Adult Mental Health Initiative (AMHI) grants

Counties are also pleased that the committee recommends increased one-time funding for AMHI grants. AMHI dollars have been crucial, particularly during the pandemic to allow counties and regions across the state to uniquely respond to their community needs. This flexibility has helped counties and our partners hold together a fragile and fractured system while continuing to innovate. Increased funding, albeit one-time, will help us fill the gaps in our system that we all know have grown larger during the pandemic.

Family First Prevention Services Act (FFPSA)

Counties appreciate the commitment to move forward with state action on this federal initiative. FFPSA is an opportunity to move toward more equitable delivery of child welfare services in Minnesota. Counties have been engaged in the work of FFPSA planning, alongside the Department of Human Services (DHS) and stakeholders, in an often-frustrating process to develop the framework. This is critical work to continue, especially the work of building out Minnesota's prevention services infrastructure and developing a statewide kinship network. These key areas are critical to addressing the overrepresentation of African American and American Indian children in our child protection system. We know the implementation of FFPSA has significant systemic implications, including significant new financial costs incurred by counties, tribes, and providers. We appreciate the committee recognizing the anticipated loss of Federal IV-E reimbursement funding for counties by including an appropriation to offset this lost revenue.

Mental Health Uniform Service Standards

We support the state’s goal of creating a system of mental health that is unified, accountable, and comprehensive - one that promotes the recovery and resiliency of Minnesotans who have mental illnesses. We also support Minnesotans’ access to quality outpatient and residential mental health services and the health and safety, rights, and well-being of Minnesotans receiving the services.

Economic assistance cash program uniformity

Counties thank the committee for including provisions to better align our state’s cash assistance programs. Counties have come to the Legislature several times seeking modifications to better align our complex public assistance programs in ways that better serve individuals and families while maintaining program integrity. We hope that as the state recovers from the pandemic, the Legislature will also consider updates to our human services technology systems that often stand in the way of simplification efforts such as this.

As part of this uniformity, we appreciate the committee’s inclusion of the proposal to change MFIP and General Assistance reporting to allow for individuals to receive six months of uninterrupted benefits rather than burdensome monthly reporting that disproportionately impacts clients whose work hours fluctuate month to month. In addition to providing some stability for individuals already experiencing crisis, this proposal also cuts down on county workload by aligning these programs with federal SNAP and MN Housing Assistance programs.

Metro housing demo

We all know that homelessness continues to be a growing problem. The purpose of the Metro Demo is to strategically and cost-effectively expand and update a demonstration project created in 1995 in Housing Support, formerly known as Group Residential Housing (GRH). Many homeless individuals have challenges with mental health and substance abuse issues. This expansion will create the resources immediately to provide needed housing connected with services for single adults and families. The proposal increases the number of housing units and expands the project to the entire seven-county metropolitan area, by adding Carver, Scott and Washington counties. Thank you for including this proposal.

COUNTY CONCERNS:

CBHH Cost Shift

Counties are concerned about the proposed 100 percent cost shift for the care of adults and children at Community Behavioral Health Hospitals (CBHHs) who are clinically appropriate for discharge. This will result in a \$2.46 million cost shift to counties for each of the next two biennia. Counties have long expressed concerns about the trend that has occurred with Direct Care and Treatment (DCT) costs being shifted to counties for general fund purposes. The stated goal of these cost shifts has been to encourage counties to place patients in less-restrictive settings as soon as possible. If there is any kind of delay, counties pay 100 percent of the cost, which currently exceeds \$1,300 per day.

The problem with these proposals is that they fail to recognize that our system of care is not robust enough to have adequate placements for individuals exiting these acute care facilities. Counties oppose these cost shifts as they do not serve the stated public policy goal. Almost all of the dollars that counties now pay into the system are sent to the general fund, rather than being reinvested in our mental health system. If one of the cost drivers in this area is the lack of appropriate settings, counties would at least request that current county funds be directed to address systems gaps.

We truly appreciate the Chair and committee’s work to assemble an omnibus that reflects the needs of Minnesotans. We thank you for your time and appreciate your consideration of our feedback. Please consider us resources as you continue this work as budget discussions progress.

Sincerely,



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Association



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