



The Kid Experts™

March 19, 2024
House Human Services Policy Committee

Chair Fischer and Committee Members:

On behalf of Children's Minnesota, we are writing in support of HFXXXX (Her) and HF4671 (Fischer) which provide solutions that are foundational to addressing the mental health crisis facing Minnesota children, most notably, increasing Medicaid reimbursement rates for inpatient and outpatient mental health services.

Children's Minnesota is the largest pediatric health system in the state serving more than 160,000 kids annually. We provide a continuum of mental health services including primary care, integrated behavioral health, outpatient and partial hospitalization services, crisis stabilization and acute inpatient care.

Despite recent efforts to expand the services we provide, there are still not enough mental health services in Minnesota to meet the current need. Children are waiting for months to access care, too often utilizing the emergency department as a last resort. In 2018 about 1,700 visits to Children's Minnesota emergency departments were for a mental health concern. In 2022 that number increased to 2,500 and in 2023 that number increased even more to 3,300. And, in 2023, over 250 kids collectively spent more than 1,600 days stuck at Children's Minnesota because the appropriate treatment setting was not available to them.

Nearly half of our patients receiving mental health services rely on Medicaid and currently Medicaid rates for mental health services are paid well below the cost of providing care. Across all our outpatient and inpatient mental health services we are reimbursed for less than half of our costs and, because costs continue to rise, that level of reimbursement is getting worse. The current rates are unsustainable, and on average we operate these vital services at a loss, severely limiting our ability to recruit and retain the staff needed to meet the growing needs of our patients and their families. In addition to increasing rates, investments in respite grants for families and the Youth Care Transition program included in HF4671 will continue to be critical to supporting youth awaiting services and placement.

Children and families cannot spend another year waiting for a solution to the mental health crisis they are experiencing. Please support HFXXXX(Her) and HF4671(Fischer).

Sincerely,

Pamela Gigi Chawla, MD, MHA
Vice President, Chief of General Pediatrics
Children's Minnesota

Joel Spalding, MD
Acute Mental Health Medical Director
Children's Minnesota

Patricia Vitale
System Director Mental Health
Children's Minnesota



March 19, 2024

Chair Fischer and Committee Members
House Human Services Policy Committee
551 State Office Building
St. Paul, MN 55155

RE: Hospital boarding and discharge delays - proposed solutions

Thank you for your continued dedication to addressing boarding and discharge delays in Minnesota hospitals. The scenes that are playing out at health systems across the state are some of the most challenging situations our teams have faced in their careers. Patients are stuck in hospitals waiting for transfers to nursing homes, rehabilitation units, mental health treatment facilities, and other sub-acute care facilities, including state operated services.

In 2023, patients across the state spent nearly 195,000 avoidable days in hospitals, waiting for the right level of care to become available. This included almost 12,000 days of unnecessary stays for children alone. In most cases, these children don't have an emergent medical or psychiatric condition requiring hospitalization; they need long-term, stable support through community-based and residential services. For many, their mental health gets worse while they are stuck in the hospital. In short, patients across Minnesota are getting the wrong care in the wrong place, and often for too long a time. And, unfortunately, the problem isn't getting better, it is getting worse.

This patient gridlock not only reduces overall capacity for hospital care, it also cost Minnesota hospitals and health systems an estimated \$487 million in unpaid care. A refreshed version of HF4106 (Carroll) / SF3989 (Morrison) would give hospitals some short-term financial relief, and we cannot wait any longer to systematically address this problem. Actions the legislature and state agencies can take include the following:

Legislative Proposals:

- Discharge policy bill (SF3989 Hoffman / HF4106 Noor) - Improves processes for MnCHOICES Assessments, SMRT Assessments and Medical Assistance eligibility determinations; establishes supplemental payment rate while counties and community providers determine long-term exception rate for an individual
- Medicaid Mental Health Reimbursement Rate increases (HFXXXX Her / SFXXXX Wiklund and HF4366 Edelson / SF4460 Mann) - Increases outpatient and inpatient reimbursement rates for mental health and substance use disorder services, building on the 2024 DHS Outpatient Services Rate Study

- Youth care transition program (HF4671 Fischer / SF4664 Mann) - Ensures sustained funding for the youth care transition program which supports youth with complex needs who need to transition from hospital and residential settings to a more appropriate level of services.
- Respite grants (HF4671 Fischer / SF4664 Mann) - Increases current county grant funding for respite care and invest resources in recruiting, licensing and compensating new respite family providers
- Emergency Medical Assistance (SF4024 Mann / HF3643 Noor) - Allows more flexibility in what Emergency Medical Assistance (EMA) will pay for, these bills broaden the settings available to a patient who qualifies for EMA by permitting certain services to be covered under EMA.
- Legislative [recommendations from the Priority Admissions Task Force](#) (HF4366 Edelson / SF4460 Mann) which includes expanded capacity at and access to Direct Care and Treatment facilities. These recommendations include an exception for 10 civilly committed individuals waiting in a hospital to be added to the admissions waitlist – this exception is a critical pressure release for hospitals who have been housing individuals in need of forensic or other intensive care in a state operated service, some for multiple years.

Administrative Actions:

- Determine a different way to prioritize complex patients for placement outside of the hospital including:
 - Prioritizing and expediting funding for in home and out of home placement, including MnCHOICES assessments, MA eligibility, and waived services for kids in hospitals.
 - Ensuring counties prioritize the establishment and responsiveness of guardians, rate negotiations with group homes and the placement process for patients in acute care or hospital settings.
 - Prioritizing workforce crisis solutions to increase crisis and group home capacity.
- Strengthen enforcement of licensing standards to ensure group homes and other facilities cannot use “temporary suspension” of services as a mechanism to leave clients at hospitals and then refuse to take them back.
- Staff Willmar Child and Adolescent Behavioral Hospital to full capacity and accept “lateral” admissions.
- Counties all have a different “front door” to start the process of partnering to find patients an appropriate placement, and this information is challenging to find. Create one resource with this information to make navigating and outreach more streamlined for hospitals.

This is not a problem that any one part of the system can solve by itself. State agencies, counties, community providers, families and health systems all need to be responsible for their individual parts and work together to meet the needs patients, getting them the right level of care at the right time. The crisis of patients being stuck in hospitals needs immediate action.

Solving the children's mental health crisis begins with

2024 investment in mental health rates

access

Children and families lack access to mental health care — because Medicaid pays for the majority of our children's mental health services, and there is a 40% gap between the cost of delivering care and Medicaid reimbursement rates. This is unsustainable.

Access to care is decreasing, with waiting lists averaging statewide at:



Children are experiencing preventable mental health crises — while waiting for care, symptoms get worse and families are thrown into crisis trying to help their children.

capacity

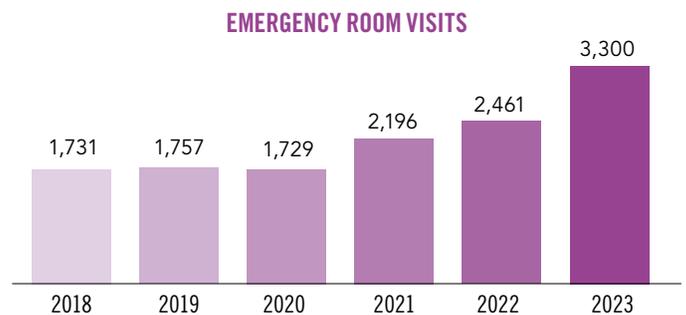
Capacity is shrinking: Mental health providers recently reported shrinking current services, closing services or considering closing services in 2024. All due to inadequate rates.

66%
Shrinking current services

38%
Closing services altogether

22%
Considering closing services

Children are boarding in hospitals, juvenile detention and with counties — being held for their safety and without the treatment they need and deserve. Since 2018, Children's Minnesota has seen an almost 100% increase in emergency room visits for mental health needs.



staffing

Staffing crisis: Salaries are dramatically increasing and reimbursement rates have stayed flat. This makes staff recruitment, retention, training and support impossible.

Since 2018, salaries have increased by:



The solution is fixing mental health rates —

- For timely access and early intervention services.
- To provide healing treatment.
- For success in school and community life.
- To prevent today's reliance on crisis care in hospitals, juvenile detention and other emergency services.

The DHS 2024 [Outpatient Services Rate Study](#) provides a framework for the Medicaid mental health rate structure that is needed now and into the future.

Children and families cannot wait another year for a solution — rate increases are crucial to sustaining what we have and preventing further loss in access to care.

The proposed legislation does the following:

- **Section 1. Increase SUD residential rates.**
- Sections 2 and 7. Increase inpatient mental health rates.
- **Section 3. Streamline and increase the Behavioral Health Home rate.**
- **Sections 4 and 5. Set RBRVS rates equal to 100% Medicare Physician Fee Schedule** with 10% bonuses for services in professional shortage and medically underserved areas.
- **Section 6. Increase HCPCS rates and benchmark using market-based costs.**
- Section 8. Eliminate current 20% rate cut for services provided by master-level educated providers.

The bolded proposals are aligned with the DHS Rates Study. Unbolded are additional proposals from mental health providers.

Terms:

- RBRVS – Resource-Based Relative Value Scale. Codes for community-based physical and mental health services including outpatient services such as psychotherapy. These services are also reimbursed under Medicare.
- HCPCS – Healthcare Common Procedure Coding System. HCPCS codes are for Minnesota developed services like in-home family supports such as Children's Therapeutic Support Services. These rates do not have a Medicare comparison.
- Behavioral Health Home – A MA service that coordinates care and addresses social determinants of health risk factors alongside mental and physical health symptoms.

Media coverage:

- [Kids are suffering, and we're not doing enough to help](#) (Minnesota Reformer)
- [Minnesota addiction treatment centers closing, despite high demand](#) (startribune.com)
- [Mental health, and caregivers, are in crisis](#) (startribune.com)
- [Study proposes reimbursement rate fix for Minnesota's broken mental health system](#) (startribune.com)
- [Patient Discharge Delays Cost Minnesota Hospitals Nearly Half a Billion Dollars in 2023](#) (mnhospitals.org)

Contacts:

Kirsten Anderson, AspireMN, 651-308-7765
 Jin Lee Palen, MACMHP, 651-233-3502
 Amanda Jansen, Children's Minnesota, 262-442-3628

Representative Peter Fischer, Chair
Human Services Policy Committee
Minnesota House of Representatives
March 19, 2024

Dear Chair Fischer and Committee Members

My name is Sam Major LMFT, I'm the owner and CEO of Apollo Counseling Inc. I am writing this letter because of the need for fixing Minnesota's Medicaid (Medical Assistance) Rates, **specifically by supporting Representative Her's bill (sc0952-2).**

Apollo is both an ARMHS clinic with around 20 practitioners, and is heavily involved in the ARMHS community, supporting both the ARMHS Provider Network and consulting with more than 40% of all ARMHS companies certified in Minnesota.

The short version of this issue is that rates haven't kept up with the market. This was clearly demonstrated in the 2023 Rate Study on Minnesota Medicaid rates. **Representative Her's bill (sc0952-2)** is the best that I have seen so far to address this issue.

Currently, many companies are already down sizing their mental health offerings, for example Eli has shut down both it's ARMHS and CTSS programs, laying off more than 40 staff likely serving more than 300 clients. This is in addition to the already months long wait times at many organizations.

We deeply appreciate your passage of three (3) percent increase with an annual inflation adjustor last year.

We understand the current financial environment, and we know the full bill cannot be implemented all at once. We implore the legislature to help us start building a solution this year so we can scale up and phase in the full solution for our rates over the next several years.

Please help us move these recommended investments forward - this is foundational to solving our mental health and SUD crisis in Minnesota.

Sincerely

Sam Major LMFT, CEO - Apollo Counseling Inc.





An association of resources and advocacy for children, youth and families
www.aspiremn.org

March 15, 2024

Dear Chair Fischer and Members of the Human Services Policy Committee,

As a statewide association of children's service providers AspireMN has identified investment in outpatient Medicaid mental health rates as the top priority for the 2024 session.

The crisis facing children and families who are unable to access needed mental health care is one we have all been touched by. We know that when children and families are able to get the care they need, they do better. Unfortunately, we currently see increased needs and shrinking capacity to serve because reimbursement rates are too low to sustain needed staffing across our mental health service continuum – this is causing the continuation of crisis that adversely impacts families, and countless systems that are not built to provide crisis mental health care.

Medicaid is the primary funder of our children's mental health system. Fixing Medicaid outpatient mental health rates is foundational to building the children's mental health system that all children and families need and deserve.

Thank you for your review of this proposal, built from the framework of the DHS Outpatient Medicaid Rates Study delivered to the legislature in January, 2024.

We remain hopeful for advancing investment in mental health rates that can sustain current infrastructure and support the development of a viable mental health continuum of care.

Sincerely,

Kirsten Anderson
Executive Director

AspireMN improves the lives of children, youth and families served by member organizations through support for quality service delivery, leadership development and policy advocacy.

1919 University Avenue W. #450, St. Paul, Minnesota 55104



CATHOLIC CHARITIES
Twin Cities

Catholic Charities at Elliot Park
1007 East 14th Street, Minneapolis, MN 55404
612-204-8500 | cctwincities.org

March 19, 2024

Representative Peter Fischer
Chair, House Human Services Policy Committee

Re: Mental Health Service Rates (SC0952-2)

Chair Fischer and Members of the Committee:

On behalf of Catholic Charities Twin Cities, I write to offer our support for increasing Medicaid community-based mental health rates as proposed in SC0952-2, which is a necessary step to address the current mental health crisis and strengthen day treatment programs for Minnesota youth.

Catholic Charities is a regional leader of housing, emergency shelter and direct services, serving more than 25,000 youth and adults annually. These services include our children's day treatment program, which operates in partnership with Minneapolis Public Schools to provide voluntary, year-round therapeutic services to students in grades K-8 who have mental health needs or behavioral challenges that hinder academic progress.

Through a trauma-informed lens, children in day treatment receive skills development, individual and group therapy, and family education and support to help them build healthy relationships and learn new ways of coping and managing difficult feelings and situations. This full-day program combines treatment and academics in a co-located school setting, allowing children to receive care without having to leave their community and helping to reduce demands on more expensive hospital and emergency room visits.

Day treatment programs provided a valuable service to children and families before COVID-19, and since then the need for such programming has only grown. From 2022–2023, Catholic Charities experienced a nearly 20% increase in demand for day treatment services. Unfortunately, Medicaid mental health rates for this community-based care have been stagnant for years, threatening the ability of providers like us to maintain these vital services and supports and leading to delays in care for children in need.

With Medicaid community-based mental health rates that reimburse for the true cost of care, we could better provide the early intervention needed to ensure more children receive the support and skills they need to thrive in school and their communities. We ask for your support to prioritize this work this session.

Sincerely,

A handwritten signature in black ink, appearing to read 'Keith Kozerski'.

Keith Kozerski
Chief Program Officer, Catholic Charities Twin cities

CHANGE INC.

March 15, 2024

Dear Chair Fischer and Human Services Policy Committee Members,

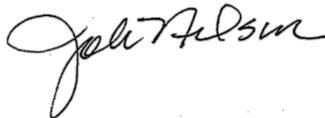
Change Inc. provides mental health care to children, youth, and young adults in the Metro. Our School-Based Mental Health program addresses mental and emotional barriers to school success and serves over 700 kids annually. Throughout the past 15 years, our mental health and support services have expanded to include mentoring, case management, care coordination, and out-patient therapy.

Current Medicaid mental health rates are low and out-of-date and greatly impacting on our ability to provide greatly needed services– including delays in accessing care, shrinkage of key services, and the inability to staff critical care.

We can clearly see how this is generating systemic crisis – within and outside of the mental health system – for children and families. The urgently needed solution to this crisis is to fix the rates.

With Medicaid outpatient community based mental health rates that reimburse for the cost of care, we can provide the early intervention and prevention services that help children and families experience health, wellbeing, and hopeful futures. That is why we are asking you to make sure that fixing the Medicaid mental health rates will be the highest priority for the 2024 session.

Sincerely,



Jody Nelson, Ed.D., LMFT
Executive Director, Change Inc.
jnelson@thechangeinc.org
612.581.9811

CHANGE
INSTITUTE

GAP
SCHOOL

COMMUNITY
& SCHOOL
COLLABORATIVE

GAP School and Admin Offices: 381 East Robie Street St. Paul, MN 55107
Community School Clinic: 1209 Tyler Street NE, Suite 170 Minneapolis, MN 55413
PHONE: 651-222-0757 FAX: 651-290-2703 | thechangeinc.org

Fairview

March 19, 2024

House Human Services Policy Committee

Dear Chair Fischer and Committee Members:

On behalf of Fairview Health Services (“Fairview”), we are writing in support legislation to increase the Medicaid payment rates for inpatient and outpatient mental health services. This is a critical step to helping improve access to mental health services across Minnesota.

In recent years, Fairview has taken bold steps toward innovative solutions to delivering mental health services. We were first adopters of the EmPATH (Emergency Psychiatric Assessment, Treatment and Healing) model in Minnesota and have paved the way for other hospitals in the state and across the country to look to this model to increase access to mental health care. We are also working towards opening the state’s newest purpose built inpatient mental health hospital in partnership with Acadia health. Unfortunately, innovations like these are not sustainable nor replicable long-term at the current reimbursement rates for mental health.

Medicaid rates for mental health services – inpatient and outpatient – are paid well below the cost of providing care. Financial challenges are particularly pronounced in the inpatient settings with patient’s length of stays increasing and hospitals inability to place many civilly committed patients in the state’s direct care and treatment facilities. Low reimbursement rates discourage investments in and expansions on inpatient mental health services, even threatening existing capacity.

These challenges also show up directly in our emergency departments. The lack of access to outpatient mental and behavioral health services means emergency departments have become de facto holding spaces for mental health patients, straining emergency health care resources and creating an unsuitable environment for individuals in crisis who may require specialized care and a calm setting. Delayed admission to inpatient facilities or discharge to community settings often leads to the deterioration of mental health conditions, making the eventual treatment more challenging and potentially less effective. Without a significant investment in our mental health reimbursement rates, individuals in crisis will be unable to access timely and appropriate treatment. This shortage is particularly acute in rural areas, where mental health services are already limited.

Finally, the impact of low reimbursement rates contributes to health inequities, disproportionately affecting vulnerable populations who rely on public insurance programs with lower payment rates. Individuals with lower socioeconomic status may face additional barriers to accessing quality mental health care, perpetuating disparities in mental health outcomes.

On behalf of all the patients who entrust our providers with their care, we again ask for your support to make significant investments in mental health through increased Medicaid payment rates in the current legislative session.

Sincerely,



Beth Heinz, MHA, MSW
Fairview Health Services, Executive, Women and Children’s and Mental Health and Addiction Service Lines





March 15, 2024

Dear Chair Fischer and Human Services Policy Committee Members,

I am writing to urge you to increase investments in Medicaid mental health rates for community-based care. At FamilyWise, we have seen firsthand the deep need for mental health services in families we serve across all of our programs. Inadequate rates are contributing to a provider shortage. The result is that families are experiencing long waitlists for critical services, often when they are in crisis.

Our Family Specialists now spend more time supporting each family than they did two years ago, in large part due to the disproportionately high needs that families have (particularly in mental health), compared to the community-based services available.

When children and families do have access to timely early intervention mental health services, they can feel supported in talking through what's happening in their life, what the struggles are, what to do, and how to look at their struggles in a new light. They can address challenges and turn them into strengths.

All families deserve access to mental health supports. An increase in investment in Medicaid mental health rates for community-based care can make access to healing treatment possible so that children and families can gain stability and achieve their goals.

Sincerely,

Ann Gaasch,
Chief Executive Officer



Representative Peter Fischer, Chair
Human Services Policy Committee
Minnesota House of Representatives
March 19, 2024

Dear Chair Fischer and Committee Members

On behalf of Isuroon, I am sending this letter to share the importance of investing in our Minnesota's Medicaid (Medical Assistance) rates for our mental health and substance use disorder services. **We ask the Committee and the Legislature to fix our behavioral health Medical Assistance rates by supporting Representative Her's bill (sc0952-2).**

Isuroon is a grassroots organization working for the health and connectedness of Somali women and their families so they can thrive in Minnesota and globally. With us, women build their own health and wellness, economic self-sufficiency, community engagement and leadership.

Our nonprofit grew out of the Twin Cities' Somali community and is led by the very women we serve. Listening drives our priorities — in meetings, collaborations with organizations of faith, community-based participatory research, and face-to-face conversations. We've earned our reputation of trust by empowering Somali women to improve their lives.

Isuroon partners with health care professionals to promote wellness and decrease health disparities. For policymakers and the broader Minnesota community, we are the go-to source for data and cultural competence on a wide range of issues affecting women and children of Somali descent.

We continue to experience a more severe mental health and SUD care access crisis coming out of the global pandemic than ever before. At the root of this crisis is the lack of **sustainable reimbursement funding** for our mental health and SUD care sector. Costs of delivering care and sustaining staff salaries, benefits, facilities infrastructure and meeting state regulations have increased exponentially. Unfortunately, Medicaid (Medical Assistance) reimbursements — the core source of funding for our MN mental health and SUD treatment system — are not keeping pace with the costs of marketing and research needed to break down barriers and stigma seen in the Somali community.

Out of necessity, our community providers are closing programs or significantly decreasing the number of people who receive services as a result of low funding. This is resulting in increasingly long waiting lists and longer periods of time clients are kept waiting for care.

Community mental health providers and programs are striving to keep up with the heightened need for mental health and SUD care, while being reflective and highly responsive to the individuals, families and communities we serve across the state. This work comes with many rewards and challenges. We have been working with the Legislature and the Department of Human Services (DHS) over the course of many bills and rates studies, most recently throughout last calendar year 2023.

We deeply appreciate your passage of three (3) percent increase with an annual inflation adjustment last year. We are happy to learn the rates study that predicated this change is complete, and we are ready to support moving recommendations for investing in our rates structures to sustain our clients' access to critical mental health and SUD services.

We understand the current financial environment, and we know the full bill cannot be implemented all at once. We implore the legislature to help us start building a solution this year so we can scale up and phase in the full solution for our rates over the next several years.

Please help us move these recommended investments forward as these efforts will serve as a foundation to solving our mental health and SUD crisis in Minnesota.

Sincerely,

Fartun Weli
Chief Executive Officer



Representative Peter Fischer, Chair
Human Services Policy Committee
Minnesota House of Representatives
March 19, 2024

Dear Chair Fischer and Committee Members

On behalf of Apollo Counseling Inc., I am sending this letter to share the importance of investing in our Minnesota's Medicaid (Medical Assistance) rates for our mental health and substance use disorder services. **We ask the Committee and the Legislature to fix our behavioral health Medical Assistance rates by supporting Representative Her's bill (sc0952-2).**

We are a small ARMHS company that has around 20 staff. We serve roughly 80 clients or so.

We continue to experience a more severe mental health and SUD care access crisis coming out of the global pandemic than ever before. At the root of this crisis is the lack of **sustainable reimbursement funding** for our mental health and SUD care sector. Costs of delivering care and sustaining staff salaries, benefits, facilities infrastructure and meeting state regulations have increased exponentially. But, Medicaid (Medical Assistance) reimbursements – the core source of funding for our MN mental health and SUD treatment system – are not keeping pace.

Out of necessity, our community providers are closing programs or significantly decreasing size their services in efforts to keep some base level of access to services we can available to our clients. This is resulting in increasingly long waiting lists and longer periods of time clients are kept waiting for care. We have adults on our wait list that are currently wanting preferred female care and have been waiting 2 months.

Community mental health providers and programs are striving to keep up with the heightened need for mental health and SUD care, while being reflective and highly responsive to the individuals, families and communities we serve across the state. This work comes with many rewards and challenges. We have been working with the Legislature and the Department of Human Services (DHS) over the course of many bills and rates studies, most recently throughout last calendar year 2023.

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Please help us move these recommended investments forward - this is foundational to solving our mental health and SUD crisis in Minnesota.

Sincerely

Katie Vavreck
Program Director
320-295-0196

Representative Peter Fischer, Chair
Human Services Policy Committee
Minnesota House of Representatives
March 19, 2024

Dear Chair Fischer and Committee Members

On behalf of Lake Country Associates, I am sending this letter to share the importance of investing in our Minnesota's Medicaid (Medical Assistance) rates for our mental health and substance use disorder services. **We ask the Committee and the Legislature to fix our behavioral health Medical Assistance rates by supporting Representative Her's bill (sc0952-2).**

Lake Country Associates serves both Clinical Mental Health and ARMHS clients in the rural setting of Hubbard, Cass, Wadena, Becker and Beltrami Counties in North Central Minnesota.

We continue to experience a more severe mental health and SUD care access crisis coming out of the global pandemic than ever before. At the root of this crisis is the lack of **sustainable reimbursement funding** for our mental health and SUD care sector. Costs of delivering care and sustaining staff salaries, benefits, facilities infrastructure and meeting state regulations have increased exponentially. But, Medicaid (Medical Assistance) reimbursements – the core source of funding for our MN mental health and SUD treatment system – are not keeping pace.

Out of necessity, our community providers are closing programs or significantly decreasing size their services in efforts to keep some base level of access to services we can available to our clients. This is resulting in increasingly long waiting lists and longer periods of time clients are kept waiting for care.

Community mental health providers and programs are striving to keep up with the heightened need for mental health and SUD care, while being reflective and highly responsive to the individuals, families and communities we serve across the state. This work comes with many rewards and challenges. We have been working with the Legislature and the Department of Human Services (DHS) over the course of many bills and rates studies, most recently throughout last calendar year 2023.

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We understand the current financial environment, and we know the full bill cannot be implemented all at once. We implore the legislature to help us start building a solution this year so we can scale up and phase in the full solution for our rates over the next several years.

Please help us move these recommended investments forward - this is foundational to solving our mental health and SUD crisis in Minnesota.

Sincerely

Tami Leigland
ARMHS Treatment Director
Lake Country Associates
515 Bridge St.
Park Rapids, MN 56470
Tami@LakeCountry Associates.com



March 19, 2024

Dear Chair Fischer and Committee Members,

LSS is a statewide provider of essential services serving one in 63 Minnesotans every year. In 2023, LSS Behavioral Health supported more than 3,500 people through in-person and telehealth therapy visits and employer, school, and shelter-linked mental health partnerships. **Thank you for the opportunity to express LSS' support of SC0952-2.** As a statewide community-based provider, we know all too well that maintaining access to mental health care for our neighbors requires critical investment in rates for community-based mental health services.

We pride ourselves on working with anyone who contacts us and connecting them to a continuum of integrated services that reflect compassion, integrity, and respect. However, providers, including LSS, are experiencing multiple challenges to meet the mental health needs of Minnesotans. Challenges include years of operating with reimbursement rates far below the true cost of service and a severe shortage of well-qualified and licensed mental health providers. Further, these challenges are compounded with an increase in demand for services and people seeking services with highly complex and acute care needs.

LSS sustains mental health services, because we know mental health is a foundation for health and well-being. We remain committed to maintaining this access across the state and significantly subsidize these services to protect access for all who come through our doors regardless of the type of insurance they have or how they will pay for services. However, this is an unsustainable model for those with the greatest need.

Thank you for this opportunity to highlight the needs of the families and communities we support and the drastic need to invest in mental health services. Please contact Erin Sutton, LSS' Senior Director of Advocacy, at erin.sutton@lssmn.org, if we may provide further information on this deeply important issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Alexis Oberdorfer".

Alexis Oberdorfer
Senior Vice President of Services
Lutheran Social Service of Minnesota

Link to op-ed: [Minnesota legislators, address the mental health system. Don't make kids wait. \(startribune.com\)](https://www.startribune.com/minnesota-legislators-address-the-mental-health-system-dont-make-kids-wait/)

Minnesota legislators, address the mental health system. Don't make kids wait.

A first step is increasing Medicaid reimbursement.

By Margot Zarin-Pass, Aimee Szniewajs and Audrey Minogue | MARCH 13, 2024 — 11:34PM

When you train as a hospital-based pediatrician, you anticipate and are prepared to care for children with a massive array of diagnoses from the utterly common to the ultra-rare. What you don't expect are patients like Sarah, a child we have anonymized and combined from dozens of other patients.

Sarah is a healthy teenager with a grandparent who loves her and wants her at home. She does not need surgery or IV medications or help eating. Not a single nurse, doctor, social worker or therapist thinks she should be in the hospital. And Sarah doesn't want to be here, either.

The problem is that Sarah has severe mental illness. She had a rough childhood, passed between caregivers who were unable to adequately care for her. Her grandmother recently got custody and is getting to know her bright, sarcastic, inquisitive grandchild. Sarah really wants to go back to school, her favorite class is math, "even though the teacher is a total nerd."

But instead of school, Sarah is in the hospital. Her grandmother is very concerned for Sarah's mental health. When they went to the pediatrician, they were referred to therapists and psychiatrists with monthslong waiting lists. In the meantime, Sarah is still suffering. When she is stressed, she harms herself. She bangs her head against the wall or cuts her wrists. Because of her untreated mental illness, she sometimes lashes out at her grandmother. They came to the ER because her grandmother didn't feel safe keeping Sarah at home.

Sarah's problems are not easily fixed in a short emergency stay in the hospital. It took years for her to develop to this point and it will take time and consistency for her to get better. She can't access the outpatient or community resources she needs, and inpatient mental health units are

meant to stabilize kids in acute crisis. We are frantically looking for a place where she can be safe and get appropriate mental health treatment.

But there is simply no place for her, so she waits. This young person is a victim of a society that is utterly failing her.

Sarah's life in the hospital is bleak. Our staff do their best to fill her days, but even with trips to the play area, walks around the unit, visits from therapy dogs and dance parties, Sarah has hours and hours of empty time in her day. Boredom, irritability and staff shift changes are all triggers for Sarah's self-harm. When Sarah tries to leave her hospital room, we direct her back. We try to avoid it, but sometimes we must use physical restraints so that she doesn't hurt herself or others.

Imagine a world that was built for Sarah. A society that understands the unseen challenges of mental health are as important to address as physical health. In this world, Sarah's grandmother could have immediately been connected to support. A therapist could come to their home regularly and work with Sarah to process her trauma. With the right access to the care the family needed early on, they may have been able to keep Sarah at home, rather than having nowhere to turn but the hospital.

Why are we so far from that world? Put simply, money. Medicaid only reimburses about 60%, on average, of the cost to deliver mental health services. Our current mental health providers are closing their doors or decreasing their services. Access to care is decreasing and wait lists are ever growing. And the staffing crisis is real. Current reimbursement levels make it impossible to recruit, retain, train and support staff.

The Minnesota Legislature has the power to change this, and to build the mental health system children and families need to live their best lives. Building that system begins with increasing Medicaid reimbursement rates for outpatient and inpatient mental health services.

As hospital pediatricians at Children's Minnesota, we have met so many kids like Sarah. We trained for years to be able to care for hospitalized children, but none of us have the power to bring to the hospital the social supports Sarah needs now and has needed her whole life.

We are calling for the Legislature to take this on with the same urgency we feel as we care for these kids day in and day out. Increasing Medicaid reimbursement is a simple first step we can take. My colleagues and I are working tirelessly to support patients and families, and we need the Legislature to support us by making these investments now. These kids deserve so much better.

Dr. Margot Zarin-Pass and Dr. Aimee Sznewajs are hospital-based pediatricians at Children's Minnesota. Audrey Minogue is a hospital-based pediatric nurse practitioner.

To: Members of the Minnesota State Legislature

RE: 2025 Rate Cut to Mental Health Services

Dear Honorable Members of Minnesota Senate and House of Representatives:

We are an independent group of 2451 certified mental health clinics that collectively served **62,000 Medicaid patients** last year in the metro area and in outstate Minnesota.

We are alarmed that funding for mental health services has been cut starting 1/1/25. Specifically, while the state increased mental health reimbursement by 3% passed last session, **it eliminated critical access payments for mental health clinics, psychiatrists and others for those same services starting January 1, 2025.** The 3% increase does not offset the 11.85% decrease that critical access mental health providers will see on January 1, 2025, or the 23.7% decrease that we face in 2027. It does not make sense for mental health reimbursement to be going backwards, instead of moving forward, and we don't believe this was the outcome that was intended.

Mental health provider organizations like ours depend on critical access payments to fund current program-related costs. This includes wages, benefits, and other program-related costs, such as interpreters.

We support the soon to be introduced rates bill, championed by the Mental Health Legislative Network, and authored by Senator Wiklund and Representative Her. This bill provides rate increases crucial for sustaining current programs and preventing further loss in access to care. If the legislature does not immediately act on mental health rates, access to critical mental health services for some of the state's most vulnerable population will be at risk. Programming is not sustainable at existing outpatient mental health rates, let alone at decreased rates. It is important that the legislature enact legislation to address this funding gap during this session.

Thank you.

Sincerely,

Mark Peterson, RPh
Chief Executive Officer
Nystrom & Associates

Dr. Jason Reed, PsyD, LP
Chief Executive Officer
Reed Behavioral Health

Dr. John Brose, PHD, LP, LMFT, LADC
Chief Executive Officer
Associated Clinic of Psychology

Tom Johnson, PMHNP-BC, APRN, CNP
Chief Executive Officer
Lakeview Behavioral Health

Dr. Greg Picker, PsyD, LP
Chief Executive Officer
Natalis Counseling & Psychology Services

Erin Pash, MA, LMFT
Chief Executive Officer
Ellie Mental Health



Representative Peter Fischer, Chair
Human Services Policy Committee
Minnesota House of Representatives
March 19, 2024

Dear Chair Fischer and Committee Members

On behalf of Mental Health Resources, I am sending this letter to share the importance of investing in our Minnesota's Medicaid (Medical Assistance) rates for our mental health and substance use disorder services. **We ask the Committee and the Legislature to fix our behavioral health Medical Assistance rates by supporting Chair Her's bill (sc0952-2).**

Founded In 1976, Mental Health Resources (MHR) is a non-profit 501(c)(3) mental health agency providing community-based mental health services, outpatient co-occurring substance use disorder treatment, and supportive services to more than 11,500 people with serious and persistent mental illness each year primarily in Ramsey, Dakota, and Hennepin Counties.

We continue to experience a more severe mental health and SUD care access crisis coming out of the global pandemic than ever before. At the root of this crisis is the lack of **sustainable reimbursement funding** for our mental health and SUD care sector. Costs of delivering care and sustaining staff salaries, benefits, facilities infrastructure and meeting state regulations have increased exponentially. But, Medicaid (Medical Assistance) reimbursements – the core source of funding for our MN mental health and SUD treatment system – are not keeping pace.

Out of necessity, our community providers are closing programs or significantly decreasing size their services in efforts to keep some base level of access to services we can available to our clients. This is resulting in increasingly long waiting lists and longer periods of time clients are kept waiting for care.

Community mental health providers and programs are striving to keep up with the heightened need for mental health and SUD care, while being reflective and highly responsive to the individuals, families and communities we serve across the state. This work comes with many rewards and challenges. We have been working with the Legislature and the Department of Human Services (DHS) over the course of many bills and rates studies, most recently throughout last calendar year 2023.

We deeply appreciate your passage of three (3) percent increase with an annual inflation adjustor last year. We are happy to learn the rates study that predicated this change is complete, and we are ready to support moving recommendations for investing in our rates structures to sustain our clients' access to critical mental health and SUD services.



We understand the current financial environment, and we know the full bill cannot be implemented all at once. We implore the legislature to help us start building a solution this year so we can scale up and phase in the full solution for our rates over the next several years.

Please help us move these recommended investments forward - this is foundational to solving our mental health and SUD crisis in Minnesota.

Sincerely,

A handwritten signature in black ink, appearing to read "Ann Henderson", is positioned above the typed name.

Ann Henderson, MSW, LICSW
Chief Executive Officer
Mental Health Resources
ahenderson@mhresources.com
651-365-3588

METRO PSYCHOLOGY SUPPORT SERVICES
Adult Rehabilitative Mental Health Services
Court International Building
2550 University Avenue W. Suite #163 So.
St Paul, MN 55114
Office: 651-645-7971 Fax: 651-645-7972

Representative Peter Fischer, Chair
Human Services Policy Committee
Minnesota House of Representatives

March 18, 2024

Dear Chair Fischer and Committee Members,

On behalf of Metro Psychology Support Services (MPSS), I am sending this letter to share the importance of investing in our Minnesota's Medicaid (Medical Assistance) rates for our mental health and substance use disorder services. **We ask the Committee and the Legislature to fix our behavioral health Medical Assistance rates by supporting Representative Her's bill (sc0952-2).**

MPSS has been providing Adult Rehabilitative Mental Health Services (ARMHS) continuously since June 2006. Our mental health practitioners drive (USING THEIR PERSONAL VEHICLES EACH DAY) to clients' homes or meet clients in the community to teach a wide variety of skills, including sobriety skills, problem solving skills, accountability, budgeting, assertiveness, self-awareness, and anxiety reduction skills. We also connect clients with resources and advocate for clients when needed. Most mental health practitioners see at minimum four clients per day. Mental Health Rehab has brought together the two worlds of Social Work and Psychology, thus creating an extremely successful and beneficial service for adult clients struggling with severe and persistent mental illness (SPMI adult population).

Having said that, we continue to experience a more severe mental health and SUD care access crisis coming out of the global pandemic than ever before. At the root of this crisis is the lack of **sustainable reimbursement funding** for our mental health and SUD care sector. Costs of delivering care and sustaining staff salaries, benefits, facilities infrastructure and meeting state regulations have increased exponentially in the past three years. However, Medicaid (Medical Assistance) reimbursements - the core source of funding for our Minnesota mental health and SUD treatment system - are NOT keeping pace. More specifically, in order to maintain employees, a 12-15% increase in wages has taken place in the past three years. In addition to this, there have been rate increases in rent, office equipment and supplies, and insurance premiums to name a few. Even with the significant increase in gas, MPSS has not been in a place where an

increase in gas reimbursement to staff can be approved due to insufficient reimbursement rates.

Out of necessity, community providers are closing programs or significantly decreasing the size of their services in an effort to keep some base level of access to services that can be offered to clients. This is resulting in increasingly long wait lists and longer periods of time clients are kept waiting for care. It is also creating heavier client caseloads which in turn leads to emotional overwhelm of staff. More specifically, in the past 12 months wait time for a mental health practitioner typically varied from six to 20 weeks. Although many clients are struggling with addiction, suicidal ideation, homicidal ideation, and/or self-injurious behaviors, our very best efforts have not been able to keep up with our waitlist.

Community mental health providers and programs are striving to keep up with the heightened need for mental health and SUD care, while being reflective and highly responsive to the individuals, families and communities we serve across the state. This work comes with many rewards and challenges. We have been working with the Legislature and the Department of Human Services (DHS) over the course of many bills and rates studies, most recently throughout last calendar year 2023.

We deeply appreciate your passage of a three percent increase with an annual inflation adjustor last year. We are happy to learn the rate study that predicated this change is complete, and we are ready to support moving recommendations for investing in our rates structures to sustain our clients' access to critical mental health and SUD services.

We understand the current financial environment, and we know the full bill cannot be implemented all at once. We implore the legislature to help us start building a solution this year so we can scale up and phase in the full solution for our rates over the next several years.

Please help us move these recommended investments forward. Minnesota appears to pride itself on being sensitive to and providing needed resources and care for those suffering with mental health challenges. Historically, the state has addressed the mental health crisis by creating new or additional programs. This is NOT solving the mental health crisis that those of us in the trenches experience on a daily basis. The mental health agencies that are already established require your support. Increasing reimbursement rates is foundational to solving our mental health and SUD crisis in Minnesota.

Respectfully submitted,



Dona L Mathews PsyD LP
Mental Health Professional
Owner and Director

Guest Commentary: Mental health crisis requires increase in Medicaid rates

Published 8:26 pm Friday, March 15, 2024

By [Daily Herald](https://www.austindailyherald.com/author/dailyherald/)

By **Dr. Michelle K. Murray, CEO of Nexus Family Healing**
And Karen Wolf, Executive Director, Nexus-Gerard Family Healing

As a mental health provider, Nexus Family Healing and our local agency, Nexus-Gerard, see first-hand, every day, how mental health struggles can impact youth, families, and our communities. We also see the difficulties families have in simply accessing care.

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No one in Minnesota should struggle to find mental health care. Like many issues we face, fixing the mental health crisis. A clear step forward is to increase our Medicaid rates for growing the care that is so greatly needed.



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There is currently at least a 40% gap between the cost of delivering care and what Medicaid currently reimburses providers for that care – causing many providers to shut down much-needed services, and amplifying the shortage in care that already exists. Mental health service capacity is shrinking, with 66% of mental health providers decreasing their services due to inadequate rates, and another 38% closing services down completely.

The impact of rate issues on those needing help is long waiting lists and mental health crises that could have been prevented. Youth are being stranded in emergency rooms for weeks on end, with no place to go. Youth who need higher end services can find themselves involved in the juvenile justice system due to mental health needs that have not been addressed.

At Nexus Family Healing, we are determined to fill the gap in mental health services across Minnesota, but due to Medicaid rates we are often thwarted to create new, innovative programs that could help those in need in our local communities. Here in the Austin area, we are proud of our longstanding residential services supporting youth with the tools they need to heal and move forward, and of our in-school and outpatient therapy services we provide youth and families in the community. While these meet important needs, the current rate structure does not allow Nexus to fill the gap in services in our community.

We must reverse this trend, working together to build a strong mental health care system. Our legislators must act now, in 2024, to increase Medicaid rates. Our children, families, and community cannot afford to wait any longer for timely access and early intervention services.





Minnesota Hospital Association

161 Saint Anthony Ave., Ste. 915
Saint Paul, MN 55103-2382

www.mnhospitals.org

March 19, 2024

Chair Fischer and Members of the House Human Services Policy Committee,

On behalf of the Minnesota Hospital Association (MHA) and the patients that our 141 hospital and health system members across the state serve, we write to you today in strong support of HF 4981 (Her) to increase Medical Assistance mental health reimbursement rates.

Hospitals and health systems across Minnesota are dedicated to addressing the unprecedented mental health crisis and providing the most appropriate care to patients. Without continued policy emphasis and additional funding, access to mental health services will remain inadequate; available mental health providers will be insufficient; and the struggles to find appropriate, effective, convenient, and affordable services will continue to grow.

Medical Assistance provides reimbursement well below the cost of care, and mental health services are paid much lower rates than physical health services. In addition, Minnesota continues to experience severe health care workforce shortages, with 80% of the state's counties qualifying as mental health professional shortage areas. Higher reimbursement rates for mental health services will increase payment rates for mental health professionals, leading to better recruitment and retention.

In addition, hospitals and health systems continue to face immense challenges in patients seeking unnecessary emergency department care – called “boarding” – due to a lack of a viable alternative for appropriate treatment. Many of these patients are not able to access the mental health services they need and deserve due to the limited capacity of mental health providers and facilities in our state.

Patients and their families simply cannot wait another year for a solution to the urgent mental health crisis. We urge this Committee and the full legislature to support HF 4981 (her) and to take action to ensure access to mental health services for all Minnesotans.

Sincerely,

Mary Krinkie
Vice President of Government Relations
mkrinkie@mnhospitals.org

Danny Ackert
Director of State Government Relations
dackert@mnhospitals.org



March 17, 2024

Dear Members of the House Human Services Policy Committee:

Our mental health system is in crisis. We have increasing needs and decreasing resources. We are in the midst of a workforce crisis. We know from the recently released rates study that we have inadequate Medicaid reimbursement rates for our mental health providers. This crisis is resulting in Minnesotans not being able to access the level of care they need when they need it. Providers are closing their doors and beds are taken offline due to staffing shortages.

Medicaid is the single largest payer for mental health services in the United States and thus low rates are not offset by higher private insurance rates. In Minnesota, people from Black and American Indian communities are more likely to use Medicaid thus adding to mental health care disparities.

Professionals, government leaders, and communities have acknowledged the worsening children's mental health crisis in our state and country. NAMI's helpline has received an increased volume and complexity of calls. At the same time, we are seeing our treatment capacity in Minnesota shrink. We hear of people boarding in the emergency rooms, being placed on months long waiting lists, and being discharged to the street because no community programs have openings.

That's why NAMI Minnesota strongly supports the Mental Health Legislative Network's bill to increase Medical Assistance rates which is authored by Representative Her. This bill is necessary to ensure that people across the state have access to timely, quality, culturally responsive treatment. Raising rates is the primary way we can solve the mental health workforce crisis and increase access to lifesaving services.

We must continue to build out a continuum of early intervention, prevention, outpatient, intensive, and crisis services. Yet, at a certain point, we are loading an abundance of resources into a cart with broken wheels. Children and families will not see those resources in time and preventable crises will go without intervention if we do not have a foundation of robust rates and investment. Thank you for considering the rate adjustments bill. We look forward to working with you to prioritize mental health this session.

Sincerely,

A handwritten signature in black ink, appearing to read "Sue Abderholden".

Sue Abderholden, MPH
Executive Director



Representative Peter Fischer, Chair
Human Services Policy Committee
Minnesota House of Representatives
March 19, 2024

Dear Chair Fischer and Committee Members

On behalf of Norway Health Center, I am sending this letter to share the importance of investing in our Minnesota's Medicaid (Medical Assistance) rates for our mental health and substance use disorder services. **We ask the Committee and the Legislature to fix our behavioral health Medical Assistance rates by supporting Representative Her's bill (sc0952-2).**

Norway Health Center is a grassroots, community-led organization that provides mental health services that aim to meet the needs of our community. Norway Health strives to provide Adult Rehabilitative Mental Health Services and psychotherapy with cultural awareness and humility. Most of our recipients are Hmong, Karen, and Karenni refugees and our staff largely comes from and matches our community.

We continue to experience a more severe mental health and SUD care access crisis coming out of the global pandemic than ever before. At the root of this crisis is the lack of **sustainable reimbursement funding** for our mental health and SUD care sector. Costs of delivering care and sustaining staff salaries, benefits, facilities infrastructure and meeting state regulations have increased exponentially. But, Medicaid (Medical Assistance) reimbursements – the core source of funding for our MN mental health and SUD treatment system – are not keeping pace. The current rates make staffing full-time ARMHS workers challenging. Particularly as our staff seek to determine if a career in the field and supporting their community as providers makes sense for them.

Out of necessity, our community providers are closing programs or significantly decreasing the size of their services in efforts to keep some base level of access to services we can available to our clients. This is resulting in increasingly long waiting lists and longer periods of time clients are kept waiting for care. Our services our an investment in the community; improving mental health, decreasing the need for costlier emergency services and higher levels of care, and meeting needs.

Community mental health providers and programs are striving to keep up with the heightened need for mental health and SUD care, while being reflective and highly responsive to the individuals, families and communities we serve across the state. This work comes with many rewards and challenges. We have been working with the Legislature and the Department of Human Services (DHS) over the course of many bills and rates studies, most recently throughout last calendar year 2023.

We deeply appreciate your passage of three (3) percent increase with an annual inflation adjustor last year. We are happy to learn the rates study that predicated this change is complete, and we are ready to support moving recommendations for investing in our rates structures to sustain our clients' access to critical mental health and SUD services.



We understand the current financial environment, and we know the full bill cannot be implemented all at once. We implore the legislature to help us start building a solution this year so we can scale up and phase in the full solution for our rates over the next several years.

Please help us move these recommended investments forward - this is foundational to solving our mental health and SUD crisis in Minnesota.

Sincerely

Daniel Becker, LICSW
Clinical Director Norway Health Center



March 15, 2024

Dear Chair Fischer and Human Services Policy Committee Members,

I am writing to express support for MH Rates SC0952-2, to implement crucial adjustments to medical assistance rates, particularly in areas concerning behavioral health services and hospital payment rates. This bill holds importance to Quality Parenting Initiative - Minnesota, given the children and families we serve in child welfare, and the belief in equitable access to quality healthcare services for all members of our community.

Quality, timely treatment is necessary to solve Minnesota's mental health crisis, and fixing Medicaid mental health rates is one of the foundational needs today. Imagine a seven-year-old child, who has recently been removed from their home due to allegations of neglect. Understandably, this child is grappling with a whirlwind of emotions – confusion, fear, and a profound sense of loss. Amid this turmoil, timely access to therapy services can make a difference in their journey towards healing and resilience.

Unfortunately, the reality for many children in the foster care system is different. Due to long waiting lists and bureaucratic hurdles, children may be forced to wait six to nine months before receiving the mental health support they so desperately need. During this agonizing wait, the child's trauma may deepen, their emotional well-being may deteriorate, and their chances of successful reunification with her family may diminish.

Now, contrast this scenario with one where the child receives therapy services early into their child protection case as soon as the need arises. With timely access to strategies and trauma-informed care, this child can process their emotions, develop coping strategies, and build trusting relationships with their caregivers. As a result, the child's resilience grows, their behavioral challenges lessen, and their prospects for long-term stability improve exponentially.

But this child's story is not just one of individual triumph – it is a testament to the power of early intervention in transforming the trajectory of entire families. By equipping caregivers with the tools and support they need to nurture the child's emotional well-being, we lay the foundation for a stronger, more resilient family unit. In doing so, we not only safeguard the child's future but also break the cycle of intergenerational trauma that plagues so many families involved in the child welfare system.

While I recognize that implementing these adjustments may pose certain challenges, particularly in terms of short-term costs, I firmly believe that the long-term benefits far outweigh any initial concerns. Evidence suggests that investing in comprehensive healthcare services not only improves health outcomes but also generates substantial savings by mitigating the need for more costly interventions down the line.

Thank you for your attention to this matter and I urge you to lend your support to MH Rates SC0952-2. I remain hopeful for positive action in support of equitable healthcare access for all.

Sincerely,


Kate Rickord, MA, LP
Director, QPI-MN

Kate@qpimn.org

612.619.0086 (direct)

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P: (320) 455-9888 F: (320) 587-5390
15 2nd St. NW, Buffalo, MN 55313
P: (320) 455-9888 F: (320) 310-0983
admin@serenitymentalhealthservices.com

Representative Peter Fischer, Chair
Human Services Policy Committee
Minnesota House of Representatives
March 18, 2024

Dear Chair Fischer and Committee Members

On behalf of Serenity Mental Health Services, I am sending this letter to share the importance of investing in our Minnesota's Medicaid (Medical Assistance) rates for our mental health and substance use disorder services. **We ask the Committee and the Legislature to fix our behavioral health Medical Assistance rates by supporting Representative Her's bill (sc0952-2).**

Serenity Mental Health Services was founded in 2016 and is dedicated to enriching our clients' quality of life by providing medically-necessary services. We promote positive mental health by teaching important life skills, offering crisis support, and therapy to our clients. SMHS strives to perform to the highest standards of the individuals we serve. We are committed to helping others, and our quality of service is a reflection of our professional staff, and their years of experience. Our entire mission statement is in jeopardy, as we are finding it difficult to maintain services due to low reimbursement rates.

We continue to experience a more severe mental health and SUD care access crisis coming out of the global pandemic than ever before. At the root of this crisis is the lack of **sustainable reimbursement funding** for our mental health and SUD care sector. Costs of delivering care and sustaining staff salaries, benefits, facilities infrastructure and meeting state regulations have increased exponentially. But, Medicaid (Medical Assistance) reimbursements – the core source of funding for our MN mental health and SUD treatment system – are not keeping pace. We are unable to sustain a full staff at the hourly rate that they are requesting due to the low reimbursement rates. With the cost of living drastically increasing in the past couple of years, and the reimbursement rates for mental health services remaining the same, it's beginning to be impossible to keep staff around, thus, resulting in fewer mental health services provided for individuals that are in need.

Out of necessity, our community providers are closing programs or significantly decreasing size their services in efforts to keep some base level of access to services available to our clients. This is resulting in increasingly long waiting lists and longer periods of time clients are kept waiting for care. We currently have over 40 individuals on our waiting lists, some of whom have been there for nearly a year.

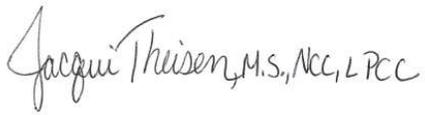
Community mental health providers and programs are striving to keep up with the heightened need for mental health and SUD care, while being reflective and highly responsive to the individuals, families and communities we serve across the state. This work comes with many rewards and challenges. We have been working with the Legislature and the Department of Human Services (DHS) over the course of many bills and rates studies, most recently throughout last calendar year 2023.

We deeply appreciate your passage of three (3) percent increase with an annual inflation adjustor last year. We are happy to learn the rates study that predicated this change, and we are ready to support moving recommendations for investing in our rates structures to sustain our clients' access to critical mental health and SUD services.

We understand the current financial environment, and we know the full bill cannot be implemented all at once. We implore the legislature to help us start building a solution this year so we can scale up and phase in the full solution for our rates over the next several years.

Please help us move these recommended investments forward - this is foundational to solving our mental health and SUD crisis in Minnesota.

Sincerely

A handwritten signature in cursive script that reads "Jacquie Theisen, M.S., NCC, LPCC".

Jacqui Theisen, M.S., NCC, LPCC
CEO, Serenity Mental Health Services



220 Railroad Street SE, Pine City, MN 55063
Phone: 320-629-7600 or 651-224-4114 | Fax: 651-925-0071

March 18, 2024

Dear Chair Fischer and Human Services Policy Committee Members,

I respectfully request of you to support MH Rates SC0952-2 (awaiting House File Number) as providers and consumers need this assistance IMMEDIATELY. We have been waiting for some years now for rates to be improved and it truly has felt like watching our 'house afire'. People are quick to use the phrase "mental health crises" in our great state of Minnesota, yet we have meandered about, in solving the problem. Likened to the 'house on fire' aka "mental health crises," there has been no action to secure the fire department for help! We need the Legislature's help NOW.

Therapeutic Services Agency, Inc has been in business providing mental health services for 45 years in East Central MN and now also provide services nearly statewide with the provision of mental health services (with grant support) from the MN DHS for children and teens who are deaf and hard of hearing. Prior to the Covid pandemic, we had approx. 115 employees; we are now down to 69. Most of the loss of our staff has been because many have gone into private practice as that allows "more flexibility and better money." What is not spoken so much about is it also provides for less accountability and quality of service and professional practice is as individual as private practice is. We would not be competing with the lure of private practice if we could provide our staff better compensation as we would be truly paid for the value AND COST of our services. For too many years now, we have been squeezing our limited resources to cover our costs and operating on hope and prayer and incredible management to make things squeak by. But with workforce shortage, the demands of the work (HIPAA compliance, cybersecurity costs, service documentation, mandated reporting, collaboration with other providers, etc) and the complexity of mental health needs presenting from our clients that deserve and need top-notch service providers, we see staff weary from the work and too few staff. As well, the incoming workforce if we are fortunate to hire, needs to be developed and supported in their quest for licensure and so we pour in resources to support them in their readiness and success in becoming professionals and providing professional services for the people we are committed to helping. It is important to note that we see very complex cases; often the cases private providers don't want to see. We see child protection cases, early childhood mental health cases, SPMI cases, etc. Often these folks are covered with Medicaid or PMAP payers and with rates not being improved in years, and our workforce shrinking; it is more difficult to get them in when their needs for mental health services presents.

I beseech you to recognize the needs AND support rate increases NOW. MN has embarked on 3 rate studies over the past few years, and I have heard legislators, DHS staff, fellow professionals and colleagues, rate study analysts, and given our own experience, we all know it is overdue time to provide rate increases. This is no longer a problem to note. It is a problem to SOLVE.

Please prioritize our mental health service system so that Minnesota can again be confident in our comprehensive service system being ready and available to truly serve Minnesotans. We need substantial rate increases NOW.

Respectfully,

Cheryl Smetana McHugh (BR)

Cheryl Smetana McHugh, MSW, LICSW
Executive Chair of the Board of Directors



Representative Fischer

State Office Building
St. Paul, MN 55155

March 15, 2024

Dear Chair Fischer and Human Services Policy Committee Members,

On behalf of Volunteers of America Minnesota, a MN nonprofit human service, housing and healthcare provider, we write to express our gratitude for your leadership on behalf of Minnesota's children and youth who have behavioral health challenges.

We enthusiastically support *MH Rates SC0952-2*. Fixing the Medicaid mental health rates for outpatient and community-based care is absolutely essential to solving the state's mental health crisis. Rates drive our ability to recruit and retain talent and to provide the right care at the right time in the various ways that diverse populations of people can access critical support. We see countless examples of lives saved and hope restored when children and families receive the care they need. We are also keenly aware of the backlog of children and youth who not able to access timely care.

VOA provides children, youth, and families with care that operates across the continuum from outpatient therapy delivered in the home, community, or in clinic to mental health targeted case management to school-linked mental health to Children's Therapeutic Support Services to residential treatment, while at the same time intersecting multiple systems like child protection, education, health, housing, juvenile justice, etc. Annually, VOA directly supports the mental health needs of about 1,500 children and adolescents.

Yet, these services are struggling to be financially viable. It is a tremendous challenge to recruit and retain therapists and other employees who support this system of care. We compete for therapists and the administrative staff required to assure accountability for finances, license-compliance and quality. Rates must be addressed if we are to survive in the market.

Thank you for addressing the tremendous need to increase rates for these services.

Sincerely,

A handwritten signature in cursive script that reads 'Julie Manworren'.

Julie Manworren | *President and Chief Executive Officer*
Volunteers of America Minnesota and Wisconsin | www.voamnwi.org
7625 Metro Blvd, Edina MN 55439
Direct: (952) 945-4004
We help people build hope, resilience and well-being



March 19, 2024

REPRESENTATIVE PETER FISCHER, CHAIR
HUMAN SERVICES POLICY COMMITTEE
MINNESOTA HOUSE OF REPRESENTATIVES

Dear Chair Fischer and Committee Members,

On behalf of Woodland Centers, I am sending this letter to share the importance of investing in our Minnesota's Medicaid (Medical Assistance) rates for our mental health and substance use disorder services. **We ask the Committee and the Legislature to fix our behavioral health Medical Assistance rates by supporting Representative Her's bill (sc0952-2).**

Woodland Centers is a private non-profit 501(c)(3) comprehensive community mental health center established in 1958. We serve seven rural counties in the west central region of Minnesota – Chippewa, Big Stone, Kandiyohi, Lac Qui Parle, Meeker, Renville, and Swift. Woodland Centers catchment area encompasses approximately 5000 square miles with a population of approximately 114,000. Woodland Centers serves approximately 5,000 unduplicated individuals each year ranging in age from toddlers to the elderly.

We continue to experience a more severe mental health and substance use care access crisis coming out of the global pandemic than ever before. At the root of this crisis is the lack of sustainable reimbursement funding for our mental health and substance use disorder care sector. Costs of delivering care and sustaining staff salaries, benefits, facilities infrastructure and meeting state regulations have increased exponentially. But, Medicaid (Medical Assistance) reimbursements – the core source of funding for our MN mental health and SUD treatment system – are not keeping pace.

Kandiyohi Center (Willmar) – Main Office P.O. Box 787 Willmar, MN 56201
320-235-4613 or 800-992-1716
Fax: 855-625-7406
www.woodlandcenters.com

Out of necessity, our community providers are closing programs or significantly decreasing size their services in efforts to keep some base level of access to services we can available to our clients. This is resulting in increasingly long waiting lists and longer periods of time clients are kept waiting for care. Woodland Centers currently has 140 youth and 84 adults on the waiting list for therapy services and it is estimated individuals are waiting between 3-6 months to start services.

Community mental health providers and programs are striving to keep up with the heightened need for mental health and SUD care, while being reflective and highly responsive to the individuals, families and communities we serve across the state. This work comes with many rewards and challenges. We have been working with the Legislature and the Department of Human Services (DHS) over the course of many bills and rates studies, most recently throughout last calendar year 2023.

We deeply appreciate your passage of three (3) percent increase with an annual inflation adjustor last year. We are happy to learn the rates study that predicated this change is complete, and we are ready to support moving recommendations for investing in our rates structures to sustain our clients' access to critical mental health and SUD services.

We understand the current financial environment, and we know the full bill cannot be implemented all at once. We implore the legislature to help us start building a solution this year so we can scale up and phase in the full solution for our rates over the next several years.

Please help us move these recommended investments forward - this is foundational to solving our mental health and SUD crisis in Minnesota.

Sincerely

A handwritten signature in black ink, appearing to read 'Ashley Kjos', written in a cursive style.

Ashley Kjos, Psy.D., L.P.

Chief Executive Officer

Woodland Centers