



**Minnesota Department of Human Services**  
**Elmer L. Andersen Building**  
**Temporary Commissioner Shireen Gandhi**  
**Post Office Box 64998**  
**St. Paul, Minnesota 55164-0998**

February 20, 2025

Dear Representative Anderson and Human Services Finance and Policy Committee Members:

I am writing with feedback regarding House File 1, which would establish an Office of the Inspector General (OIG) within the legislative branch to execute a number of functions related to suspected fraud, waste, and abuse in state government.

DHS is committed to supporting people to thrive in community and live their healthiest and fullest lives— and we're committed to providing services that achieve these goals. Fraud against public programs is unacceptable. It is not a victimless crime; it harms the same people we're trying to help with these services. We continue to test and strengthen our ability to prevent and detect fraud and waste while furthering a culture of compliance at all levels of every agency.

With this shared interest in preventing fraud, waste, and abuse in mind, we offer the following concerns regarding House File 1.

### **Impact to Transfer of Responsibility from DHS-OIG to DCYF**

The bill would have staff in the DHS OIG responsible for investigating fraud, waste and abuse transfer to an independent legislative agency effective July 1, 2025. In 2023 the legislature authorized the creation of a Department of Children Youth and Families (DCYF). Currently staff who work in the Program Integrity Oversight Division who work on identifying and investigating fraud, waste and abuse in programs administered by DCYF including the Child Care Assistance Program (CCAP) are scheduled to transfer to the new agency in June of 2025. This bill would interrupt the planned transfer of responsibilities from the DHS OIG to the OIG at DCYF.

### **Federal Risk**

HF 1 would transfer staff at DHS responsible for identifying and investigating fraud, waste and abuse in Medicaid to an independent agency which creates risk of putting the state out of compliance with federal Medicaid law. Federal regulations require Medicaid to be operated by a single state agency. DHS serves as Minnesota's single Medicaid state agency and is required under federal rules to have an internal surveillance and integrity review section. DHS must perform certain functions such as identifying, investigating, and referring suspected fraud cases (42 CFR §§ 455.12 – 455.23), in addition to screening, enrolling, and terminating providers (42 CFR §§ 455.400 – 455.470). DHS OIG is authorized to

seek monetary recovery, to impose administrative sanctions, and to seek civil and criminal action for fraud through the Office of the Attorney General (AG).

### **Separation of Powers**

This proposal blurs the line between judiciary/law enforcement, legislative, and executive agency powers, placing all three branches under the oversight and direction of the legislature. This proposal requires executive agencies to “fully cooperate with law enforcement [judiciary] and the inspector general [legislative], including but not limited to assisting in any investigation and subsequent civil or criminal prosecution.” While DHS collaborates with our state and federal partners, each agency conducts the investigation under their own constitutional and statutory authorities. This model risks a constitutional challenge to the outcome of any investigation when those lines are crossed, and risks causing confusion in investigators trying to fulfil their duties. There is a benefit to having independence in the investigation so the state can afford itself of all potential options – both administrative and criminal. The model presented in this proposal risks a constitutional challenge to the outcome of investigations and causes confusion for investigators who need to understand and rely on what authority they have to conduct their investigations.

### **Program Integrity Efficiency**

As the lead Medicaid agency, DHS works with the Center for Medicaid Services to ensure the state complies with federal requirements around Medicaid. Responsibility for oversight and investigations into noncompliance also lies with the Medicaid agency (as described above). Many investigations and audits unveil findings of errors and abuse – not fraud. HF 1 would require DHS to confer with law enforcement before taking action, which would slow down the investigation timeline and delay the issuance of actions. DHS always refers cases of suspected fraud to law enforcement (the Bureau of Criminal Apprehension or the Medicaid Fraud Control Unit), but requiring the referral and collaboration on cases where there is no evidence of deception or fraud would significantly increase the workloads of law enforcement while simultaneously slowing DHS’s ability to recover public dollars.

State agencies that administer the public funds generally have the requisite authority to set policy and further regulate those programs they oversee. Having investigators, program regulators (such as licensing), and policy developers in one agency promotes collaboration. Program integrity is more than just investigating fraud, waste, and abuse – it starts when a provider or recipient enrolls or applies for a program. From setting policy, to reviewing applications for qualifications, to investigating provider conduct, program integrity should be considered at every stage. The current DHS anti-fraud proposal includes solutions that not only provide additional resources to investigate, but also to prevent fraud, waste and abuse from the beginning. This requires enhanced technology, consistent data systems, and the ability to freely communicate between agencies for the purposes of program integrity. Rather than simply creating a new agency that removes investigators from their individual agencies where the subject matter expertise lies, it is more efficient to keep investigators in their agencies to promote communication, share investigative outcomes that can shape policy improvement, and allow agencies to talk to each other more efficiently through common systems.

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### **Grant Requirements**

This bill incorporates several new grant requirements that will require significant resources for the Department of Human Services to effectuate. These requirements will also result in delays in funding for human services grant recipients, many of which are providing urgent critical supports to people needing access to behavioral health, health care services, and people experiencing homelessness.

Sincerely,



Shireen Gandhi

Temporary Commissioner

February 19, 2025

Dear Representative Anderson and Human Services Finance and Policy Committee Members,

I am writing with feedback from across the administration regarding House File 1, which would establish an Office of the Inspector General (OIG) within the legislative branch to execute a number of functions related to suspected fraud, waste, and abuse in state government.

Minnesota is a state committed to helping people — and we're committed to providing services that improve the lives of Minnesotans. Fraud against these public programs is unacceptable. It is not a victimless crime; it harms the same people we're trying to help with these services. We continue to work throughout the executive branch to test and strengthen our ability to prevent and detect fraud and waste while furthering a culture of compliance at all levels of every agency.

With this shared interest in preventing fraud, waste, and abuse in mind, we offer the following concerns regarding House File 1.

## **Organizational Structure**

### ***Inconsistent with Current Risks***

The primary threats of fraud to the state come from criminals outside of state government attempting to defraud government programs. It is essential that an OIG be positioned to work in close partnership with agency staff who have subject matter expertise and a working knowledge of how programs function to detect and respond to suspicious activity. The delete-everything amendment adopted in the State Government Committee directs the proposed OIG to specifically focus on providers and recipients of state-funded services. This clarification highlights the importance of close alignment with the executive functions of agency personnel with specialized knowledge of state programs.

Since the executive branch is responsible for implementing laws, an OIG tasked with detecting and investigating potential fraud, waste, and abuse as agencies perform executive functions should be situated for strong integration within the executive branch while maintaining due operational independence. An OIG operating within in the executive branch allows for more immediate investigations and responsive actions to be integrated within relevant programs while still leaving the Office of the Legislative Auditor (OLA) to provide for legislative oversight consistent with operational functions across state government and the separation of powers.

The bill requires the OIG to “embed assistant inspectors general, and other staff as determined by the inspector general, within the Departments of Children, Youth, and Families (DCYF), Corrections, Education, Employment and Economic Development, Health, Human Services, and Labor and Industry.” While we appreciate the

recognition on the need for this expertise, the need for their existence further underscores that this function is placed inappropriately in the legislative branch.

### ***Departs from Proven Federal Model***

Locating OIG functions within the executive branch is also consistent with the federal structure established in the 1970s that has grown to 74 independent OIGs. Federal OIGs exist within the federal executive but maintain independence from the agencies they oversee. According to the Council of the Inspectors General on Integrity and Efficiency, in 2022 the Federal OIG community's audit and investigative work identified potential savings to Federal programs and operations totaling over \$70 billion. For every \$1 invested in OIGs through annual appropriations, OIGs generated \$20 in potential Federal savings.

### ***Severe Outlier in Context of Other States***

Based on the Association of Inspectors General - Directory of State and Local Inspector General Agencies and supplemental research, of the 49 other states we have identified 12 (24%) have a broad or enterprise inspector general similar to the one proposed in HF1. The remaining 37 (76%) do not. These enterprise inspectors general are executive appointed, generally by the state's governor. Massachusetts' is appointed by a vote of the governor, attorney general and state auditor. Tennessee's is appointed by the Commissioner of Finance and Administration.

We have not identified any state with an inspector general with executive branch oversight responsibilities that is appointed by a legislative entity. Illinois, for example, has a legislative inspector general that investigates allegations of misconduct by legislators and other legislative branch personnel.

It is also notable that states with an enterprise inspector general often also maintain agency-specific inspectors general. Of the 12 states with broad OIGs, seven also have at least one agency-specific inspector general. The remaining five appear to be fully consolidated in the enterprise inspector general. Florida has 33 agency-specific inspectors general in addition to one with an enterprise role.

### ***Inappropriate Legislative Role in Executive Function***

The Minnesota Constitution provides, "The powers of government shall be divided into three distinct departments: legislative, executive and judicial." Further, it states, "No person or persons belonging to or constituting one of these departments shall exercise any of the powers properly belonging to either of the others except in the instances expressly provided in this constitution." The Minnesota Constitution supports a strong division among branches of government while this bill proposes legislative supervision of an office with the authority to embed employees of that office in state agencies and "impose, or require a state agency to impose" specific executive actions. Additional context on this separation of powers issue is well described in Appendix A of the [2016 Office of the Legislative Auditor Evaluation Report on Iron Range Resources and Rehabilitation Board \(IRRRB\)](#).

## Loss of Representation for Transferred Employees

This bill proposes a significant and sudden transfer of many state employees from executive branch positions, whose work is governed by a collective bargaining agreement agreed to by an exclusive representative, to a public employer where no similar framework exists for their representation. Reorienting the office to an executive function consistent with similar offices in other states would provide a natural remedy to this issue.

It is also worth noting that while House File 1 provides that all employees of the Office of Inspector General serve in the unclassified service, Minn. Stat. 3.971, subd. 2 establishes that employees of the OLA other than the Legislative Auditor, Deputy Auditors, and administrative support specialists all serve in the classified service. Under the framework of the bill, OIG staff are not afforded the same protections from interference as OLA staff.

## Proposed Cut to State Grants

A new concern introduced in the amendments to the bill adopted Tuesday is the proposed one percent cut to state grant appropriations via their transfer to the office. In contrast to existing Minn. Stat. 16B.98 subd. 14 which provides agencies permissive authority to address administrative needs for grants when none are otherwise specified, this proposal requires a one percent across the board cut from all grant appropriations to finance the new OIG. For grants that rely on the existing five or ten percent authority for their administrative funding, diverting one percent to the OIG rather than to the agency would also have the effect of risking reducing an agency's ability to adequately oversee state grant funds.

Following the completion of the fiscal note, the more appropriate funding mechanism would be a direct appropriation to the office from the general fund to meet its needs, consistent with that for the OLA.

## Federal Barriers for DHS and DCYF

Any proposals that would move OIG functions out of their existing agency must be evaluated for compliance with federal requirements. House File 1 abolishes the duties pertaining to the investigation of fraud, waste, and abuse in the Offices of Inspector General in the Departments of Education (MDE), Human Services (DHS), and Children, Youth, and Families (DCYF).

Shifting specific functions to a separate entity could risk putting the state out of compliance with federal regulations that require agencies that administer certain programs to have functions related to preventing and detecting waste, fraud, and abuse in the programs they administer. For example, federal regulations require Medicaid to be operated by a single state agency. DHS serves as Minnesota's single Medicaid state agency and is required under federal rules to have an internal surveillance and integrity review section. DHS must perform certain functions, such as identifying, investigating, and referring suspected fraud cases, in addition to screening, enrolling, and terminating providers (42 CFR §§ 455.12 – 455.23). Additionally, federally funded programs at DCYF have specific program integrity and fraud investigation requirements and reporting, which are integral to rooting out fraud, waste, and abuse. Recently updated agreements and state statutes, as well as updates in progress, with the federal government (state plans) require that these functions are maintained within specified authorities and responsibilities at DCYF and DHS. Transferring these functions to a new office that is not a state agency would require significant planning and analysis of federal laws, requirements, and state plan amendments and could risk federal compliance and funding. Planning without dedicated capacity and time to

complete this transfer in compliance with federal laws and regulation could also take away significant capacity of current program integrity and fraud investigation functions and expertise, impeding the efforts this proposal aims to enhance.

## **Ambiguous Scope**

While the bill contains a well-developed definition for the term “fraud” in establishing a scope for the office’s work, the definitions for the terms waste and abuse depart from a focus on violations of state law and remain vague and potentially overlapping. This need for clear definitions is especially important given the significant powers the bill proposes for the office.

## **Potential Duplication or Overlap with OLA**

Though the bill states that the Legislative Audit Commission must ensure that the work of the OIG is not duplicative of that of the OLA, the responsibilities and jurisdiction of a potential enterprise OIG should be more clearly delineated to avoid overlap and ensure efficient use of resources. For example, current law provides that the OLA “shall see that all provisions of law respecting the appropriate and economic use of public funds and other public resources are complied with and may, as part of a financial audit or separately, investigate allegations of noncompliance.” Even with the newly narrowed focus for the OIG as it relates to providers and recipients of state-funded services, it should be clear in law which entity is responsible for investigations of alleged legal violations around the use of public funds.

Thank you for the opportunity to comment on House File 1. My colleagues from the administration and I are fully committed to engaging with the legislature on fraud prevention. As such, it is important to underscore that the Governor has a comprehensive fraud prevention package that is focused on strengthening investigation and enforcement authority, improving detection and oversight, and increasing criminal penalties. It is critical that the administration be given the tools that are requested in the Governor’s comprehensive package.

Thank you,

A handwritten signature in black ink that reads "Erin M. Campbell". The signature is written in a cursive, flowing style.

Erin Campbell  
Commissioner

CC: Legislative Auditor Judy Randall  
Temporary Commissioner Shireen Gandhi, Department of Human Services  
Commissioner Tikki Brown, Department of Children, Youth, and Families  
Commissioner Willie Jett, Department of Education  
Commissioner Paul Schnell, Department of Corrections

Representative Joe Schomacker, Chair  
Human Services Finance and Policy Committee  
Minnesota House of Representatives  
February 20, 2025

Chair Schomacker and Committee Members

My name is Sam Major LMFT owner of Apollo Counseling Inc., and I am sending this letter to support of House File 98 – Mental Health Regulatory Relief.

Providing care in these models and / programs means agencies must comply with all the various mental health services' regulations of the state. We are working to build our programs to respond to as many needs of our clients and communities as we can. H.F. 98 continues to move the system in a direction which allow community mental health providers to keep moving toward an integrated, holistic model of care. This bill furthers efforts to update and align regulations that govern our mental health services to better respond to current challenges we face ensuring our services are fully accessible to our communities with our clients' care at the center. These include:

- implementing supervision requirements that promotes critical staffing roles
- aligning documentation requirements with practical processes for clinic providers
- supporting staff for administrative leadership roles who possess the competency, skills and experience regardless of their clinician stature (clarifying staff leadership eligibility within an assertive community treatment team) or educational background (expanding eligible case managers' degree types)
- un-duplicating regulatory oversight and required reporting mechanisms (in intensive residential services)

We believe these policy and regulatory changes are necessary to sustaining our mental health and SUD services, AND we need state investments in our care system. Limited capacity, the workforce shortage and shrinking service access are all connected by the lack of sustainable investments in our mental health and SUD service delivery system. Solutions must also be comprehensive and address both the inpatient and community services up and downstream from them. We need to invest in community services to prevent situations that we can from becoming critically acute care and support community-based capacity for when clients are ready to move to less intense levels of care.

Sam Major LMFT and Apollo Counseling Inc. thanks this Committee and rest of the legislature for the good work you have done over these several years in bringing our mental health regulations together and steps in you all have taken in streamlining them. We are hopeful this bill is the next step in that good work to build a regulatory system that can respond with the changing needs of our industry and our communities.

Thank you for your leadership and support.

*Sam Major LMFT*



Representative Joe Schomacker, Chair  
Human Services Finance and Policy Committee  
Minnesota House of Representatives  
February 20, 2025

Chair Schomacker and Committee Members

On behalf of Mental Health Resources, Inc., I am sending this letter to support of House File 98 – Mental Health Regulatory Relief.

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 nearly 14,000 people with serious and persistent mental illness in 2024 primarily in Ramsey, Dakota, and Hennepin Counties. MHR directly provides recovery-oriented, community-based services that support people with serious and persistent mental illness to live successfully in the community. These services include: Targeted Case Management (TCM) services , Assertive Community Treatment (ACT) , Special Needs Basic Care Coordination (SNBC), Outpatient co-occurring substance use disorder treatment and peer support services, Intensive community based services, In-home therapy through our outreach clinic, Community Support Program (CSP) and drop-in center, and a Housing Voucher Program.

Providing care in these models and/programs means agencies must comply with all the various mental health services' regulations of the state. We are working to build our programs to respond to as many needs of our clients and communities as we can. H.F. 98 continues to move the system in a direction which allow community mental health providers to keep moving toward an integrated, holistic model of care. This bill furthers efforts to update and align regulations that govern our mental health services to better respond to current challenges we face ensuring our services are fully accessible to our communities with our clients' care at the center. These include:

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- un-duplicating regulatory oversight and required reporting mechanisms (in intensive residential services)

We believe these policy and regulatory changes are necessary to sustaining our mental health and SUD services, AND we need state investments in our care system. Limited capacity, the workforce shortage and shrinking service access are all connected by the lack of sustainable investments in our mental health and SUD service delivery system. Solutions must also be comprehensive and address both the inpatient and community services up and downstream from them. We need to invest in community services to prevent situations that we can from becoming critically acute care and support community-based capacity for when clients are ready to move to less intense levels of care.

MHR thanks this Committee and rest of the legislature for the good work you have done over these several years in bringing our mental health regulations together and steps in you all have taken in streamlining them.

We are hopeful this bill is the next step in that good work to build a regulatory system that can respond with the changing needs of our industry and our communities.

Thank you for your leadership and support.

With gratitude,

*Ann Henderson*

Ann Henderson, MSW, LICSW  
CEO  
Mental Health Resources, Inc.  
Ahenderson@mhresources.com

February 20, 2025

Representative Joe Schomacker, Chair  
Human Services Finance and Policy Committee  
Minnesota House of Representatives

Chair Schomacker and Committee Members:

On behalf of Range Mental Health Center (RMHC), I am sending this letter in support of House File 98 – Mental Health Regulatory Relief.

A little about Range Mental Health Center:

- We are a private, not-for-profit mental health services provider and a Certified Community Behavioral Health Clinic (CCBHC)
- We were the first rural community mental health center in the United States and the first in Minnesota to provide services developed specifically for persons with serious and persistent mental illness.
- RMHC was established in 1961 and was the 16th federally designated community mental health center in the nation.
- Mental health services are provided each year to more than 5,000 adults, children and families. Our service area covers northern St. Louis County and expands for more than 6,800 square miles.

Providing care in specific models and programs means agencies must comply with all the various mental health services' regulations of the state. We are working to build our programs to respond to as many needs of our clients and communities as we can. H.F. 98 continues to move the system in a direction which allows community mental health providers to keep moving toward an integrated, holistic model of care. This bill furthers efforts to update and align regulations that govern our mental health services to better respond to the current challenges we face, ensuring our services are fully accessible to our communities with our clients' care at the center.

These include:

- Implementing supervision requirements that promote critical staffing roles
- Aligning documentation requirements with practical processes for clinic providers
- Supporting staff for administrative leadership roles who possess the competency, skills and experience regardless of their clinician stature (clarifying staff leadership eligibility within an assertive community treatment team) or educational background (expanding eligible case managers' degree types)

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- Un-duplicating regulatory oversight and required reporting mechanisms (for intensive residential services)

We believe these policy and regulatory changes are necessary to sustain our mental health and substance use disorder (SUD) services, AND we need state investments in our care system. Limited capacity, the workforce shortage, and shrinking service access are all connected by the lack of sustainable investments in our mental health and SUD service delivery system. Solutions must also be comprehensive and address both the inpatient and community services up and downstream from them. We need to invest in community services to prevent situations from becoming critically acute care, if we can. In addition, we need to support community-based capacity for when clients are ready to move to less intense levels of care.

Range Mental Health Center thanks this Committee, and the rest of the legislature, for the good work you have done over these several years in bringing our mental health regulations together, and the steps you all have taken to streamline them. We are hopeful this bill is the next step in that good work to build a regulatory system that can respond with the changing needs of our industry and our communities.

Thank you for your leadership and support.

Sincerely,

*Annmarie Florest*

Annmarie Florest, MSW, LICSW  
Chief Executive Officer  
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Representative Joe Schomacker, Chair  
Human Services Finance and Policy Committee  
Minnesota House of Representatives  
February 20, 2025

Chair Schomacker and Committee Members

On behalf of Mental Health Resources, Inc., I am sending this letter to support of House File 98 – Mental Health Regulatory Relief.

Mental Health Resources, Inc.(MHR) Is a 501(c)3 nonprofit organization located in St. Paul. MHR has over 49 years of experience providing mental health services in the community to people affected by serious and persistent mental illness. In 2024, MHR served over 13,000 Individuals. We provide an array of the community-based services that people with serious and persistent mental illness need to live in the community. Programs include mental health Targeted Case Management (TCM), Assertive Community Treatment (ACT), in-home mental health therapy, outpatient co-occurring substance use disorder treatment, intensive community-based services, a Community Support Program, care coordination, peer support groups and a housing voucher program.

Providing care in these models and / programs means agencies must comply with all the various mental health services' regulations of the state. We are working to build our programs to respond to as many needs of our clients and communities as we can. H.F. 98 continues to move the system in a direction which allows community mental health providers to keep moving toward an integrated, holistic model of care. This bill furthers efforts to update and align regulations that govern our mental health services to better respond to the current challenges we face ensuring our services are fully accessible to our communities with our clients' care at the center. These include:

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- un-duplicating regulatory oversight and required reporting mechanisms (in intensive residential services)



We believe these policy and regulatory changes are necessary to sustain our mental health and SUD services, AND we need state investments in our care system. Limited capacity, the workforce shortage and shrinking service access are all connected by the lack of sustainable investments in our mental health and SUD service delivery system. Solutions must also be comprehensive and address both the inpatient and community services up and downstream from them. We need to invest in community services to prevent situations that we can from becoming critically acute care and support community-based capacity for when clients are ready to move to less intense levels of care.

Mental Health Resources, Inc. thanks this Committee and rest of the legislature for the good work you have done over these several years in bringing our mental health regulations together and the steps you all have taken in streamlining them. We are hopeful this bill is the next step in that good work to build a regulatory system that can respond with the changing needs of our industry and our communities.

Thank you for your leadership and support.

Ann Henderson, CEO  
Mental Health Resources, Inc.



AMHERST H.  
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February 20, 2025

Representative Joe Schomacker, Chair  
Human Services Finance and Policy Committee  
Minnesota House of Representatives

Dear Chair Schomacker and Committee Members:

As the Vice President of Community Mental Health & Wellness with the Amherst H. Wilder Foundation, I am writing this letter to support House File 98 – *Mental Health Regulatory Relief*.

The Wilder Foundation is the oldest not-for-profit organization in St. Paul. We have been providing mental health services for children and families since 1924, continually evolving to meet each generation of needs in the community for over a hundred years.

In 2017, we were honored to become one of the first six Certified Community Behavioral Health Clinics (CCBHCs) in Minnesota. Even in the context of 100 years of change and growth, becoming a CCBHC stands out as the single greatest improvement in our ability to meet the needs of children, adults, and families.

As an essential safety net community provider, Wilder serves clients and communities who would not otherwise have access to mental and chemical health care. People of all ages living with mental health and substance use disorders benefit from high quality and integrated community-based treatment to support their daily lives, relationships with family, friendships, housing and employment. We are honored to serve multiple truly unique populations within our community, and we have been able to build a better continuum of care for them through the CCBHC model.

Providing care in these models and programs means agencies must comply with all the various mental health services'

regulations of the state. We are working to build our programs to respond to as many needs of our clients and communities as we can. H.F. 98 continues to move the system in a direction which allow community mental health providers to keep moving toward an integrated, holistic model of care. This bill furthers efforts to update and align regulations that govern our mental health services to better respond to current challenges we face ensuring our services are fully accessible to our communities with our clients' care at the center. These include:

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We believe these policy and regulatory changes are necessary to sustaining our mental health and SUD services, AND we need state investments in our care system. Limited capacity, the workforce shortage and shrinking service access are all connected by the lack of sustainable investments in our mental health and SUD service delivery system. Solutions must also be comprehensive and address both the inpatient and community services up and downstream from them. We need to invest in community services to prevent situations that we can from becoming critically acute care and support community-based capacity for when clients are ready to move to less intense levels of care.

**As the state's CCBHC model evolves under a Minnesota-specific care benefit, we must update our statute to ensure alignment with the evolving model.** This process



will maintain critical components of the model in our statute while providing better pathways to serve clients with most timely and appropriate care.

Thank you for your consideration and support of the mental health care needs of our communities and our mental health care system in Minnesota.

**Please support House File 98 – *Mental Health Regulatory Relief*.**

Sincerely,

A handwritten signature in grey ink, appearing to read 'P. Yang', is positioned above the printed name.

Pahoua K. Yang, MSSW, PhD, LICSW, LP  
Vice President, Community Mental Health and Wellness



February 20, 2023

REPRESENTATIVE JOE SCHOMACKER, CHAIR

HUMAN SERVICES FINANCE AND POLICY COMMITTEE

MINNESOTA HOUSE OF REPRESENTATIVES

Chair Schomacker and Committee Members

On behalf of Woodland Centers, I am sending this letter to support of **House File 98 – Mental Health Regulatory Relief**.

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. Approximately 75% of the clients served at Woodland Centers are enrolled in Minnesota Health Care Programs and another 15% are enrolled in Medicare. Approximately 90% of our clients are eligible for sliding fee scale reductions and around 85% of these individuals are provided a 100% sliding fee scale reduction. Woodland Centers serves approximately 5,000 unduplicated individuals each year ranging in age from toddlers to the elderly.

Delivering care in this environment means navigating a complex web of state regulations governing mental health services. While we are committed to expanding our programs to meet the evolving needs of our communities, unnecessary regulatory burdens make it increasingly difficult to provide integrated, holistic, and accessible mental health care.

H.F. 98 is a crucial step toward modernizing and streamlining mental health regulations, ensuring that providers like Woodland Centers can focus on what matters most—patient care. Specifically, this bill would:

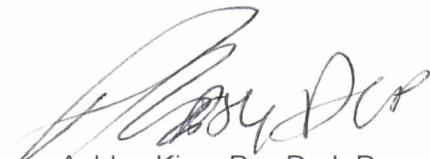
- implementing supervision requirements that promotes critical staffing roles
- aligning documentation requirements with practical processes for clinic providers
- supporting staff for administrative leadership roles who possess the competency, skills and experience regardless of their clinician stature (clarifying staff leadership eligibility within an assertive community treatment team) or educational background (expanding eligible case managers' degree types)
- un-duplicating regulatory oversight and required reporting mechanisms (in intensive residential services)

While these policy changes are vital to sustaining mental health and substance use disorder (SUD) services, they must be accompanied by state investments in our care system. Workforce shortages, limited service capacity, and shrinking access to care are all interconnected challenges that require sustainable funding. True solutions must address both inpatient and community-based services, ensuring that we prevent avoidable acute care situations while strengthening community resources for individuals transitioning to lower levels of care.

Woodland Centers deeply appreciates the Committee's and the Legislature's ongoing commitment to improving Minnesota's mental health system. Over the years, you have made significant strides in streamlining regulations, and we believe H.F. 98 represents the next critical step in building a regulatory framework that adapts to the changing needs of our industry and communities.

Thank you for your leadership and support.

Sincerely



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

Chief Executive Officer

Woodland Centers

Representative Joe Schomacker, Chair  
Human Services Finance and Policy Committee  
Minnesota House of Representatives  
February 20, 2025

Chair Schomacker and Committee Members

On behalf of Lakeland Mental Health Center, I am sending this letter to support House File 98 – Mental Health Regulatory Relief.

Lakeland Mental Health Center (LMHC) is a licensed Community Mental Health Center. LMHC serves a six county region in the west central part of the state. This includes the counties of Becker, Clay, Douglas, Grant, Otter Tail, and Pope. LMHC services approximately 7,600 clients per year.

Providing care in these models and / programs means agencies must comply with all the various mental health services' regulations of the state. We are working to build our programs to respond to as many needs of our clients and communities as we can. H.F. 98 continues to move the system in a direction, which allow community mental health providers to keep moving toward an integrated, holistic model of care. This bill furthers efforts to update and align regulations that govern our mental health services to better respond to current challenges we face ensuring our services are fully accessible to our communities with our clients' care at the center. These include:

- Expanding the types of four-year degrees a case manager can have to be eligible for the role
- Addressing the continuing education and supervision requirements for Case Management Associates
- Removing an overly prescriptive requirement related to observation of the services provided by mental health rehabilitative workers and mental health behavioral aides

We believe these policy and regulatory changes are necessary to sustaining our mental health services, AND we need state investments in our care system. Limited capacity, the workforce shortage and shrinking service access are all connected by the lack of sustainable investments in our mental health and SUD service delivery system. Solutions must also be comprehensive and address both the inpatient and community services up and downstream from them. We need to invest in community services to prevent situations that we can from becoming critically acute care and support community-based capacity for when clients are ready to move to less intense levels of care.

LMHC thanks this Committee and rest of the legislature for the good work you have done over these several years in bringing our mental health regulations together and steps you all have taken in streamlining them. We are hopeful this bill is the next step in that good work to build a regulatory system that can respond with the changing needs of our industry and our communities.

Thank you for your leadership and support.

Sincerely,

Donna baker

Donna Baker  
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# VAIL COMMUNITIES

CULTIVATING HOPE FOR MENTAL HEALTH & WELLBEING

Representative Joe Schomacker, Chair  
Human Services Finance and Policy Committee  
Minnesota House of Representatives  
February 20, 2025

## Chair Schomacker and Committee Members

On behalf of Vail Communities, I am sending this letter to support of House File 98 – Mental Health Regulatory Relief. At Vail Communities, where we are committed to shattering the limitations imposed by mental illness and co-occurring conditions through the transformative power of relationships, purpose, and opportunity. We provide comprehensive support tailored to each individual's unique circumstances and mental health wellness journey.

Our range of services include Clubhouses across three locations, Targeted Case Management, Community Health partnerships, and Housing initiatives, and address the diverse needs of nearly 3000 individuals annually, totaling over 22,000 visits. Guided by the values of Clubhouse International — purpose, connection, opportunity, inclusion, and choice — we envision a world where mental illness no longer confines individuals to lives of isolation or despair. At Vail Communities, we're not just alleviating the burdens of illness, we're fostering wellness and cultivating meaningful connections to ensure every individual can thrive. Providing care in these models and / programs means agencies must comply with all the various mental health services' regulations of the state. We are working to build our programs to respond to as many needs of our clients and communities as we can. H.F. 98 continues to move the system in a direction which allow community mental health providers to keep moving toward an integrated, holistic model of care. This bill furthers efforts to update and align regulations that govern our mental health services to better respond to the current challenges we face ensuring our services are fully accessible to our communities with our clients' care at the center. These include:

- implementing supervision requirements that promotes critical staffing roles
- aligning documentation requirements with practical processes for clinic providers
- supporting staff for administrative leadership roles who possess the competency, skills and experience regardless of their clinician stature (clarifying staff leadership eligibility within an assertive community treatment team) or educational background (expanding eligible case managers' degree types)
- un-duplicating regulatory oversight and required reporting mechanisms (in intensive residential services)

We believe these policy and regulatory changes are necessary to sustaining our mental health and SUD services, AND we need state investments in our care system. Limited capacity, the workforce shortage and shrinking service access are all connected by the lack of sustainable investments in our mental health and SUD service delivery system. Solutions must also be comprehensive and address both the inpatient and community services up and downstream from them. We need to invest in community services to prevent situations that we can from becoming critically acute care and support community-based capacity for when clients are ready to move to less intense levels of care.

Vail Communities thanks this Committee and the rest of the legislature for the good work you have done over these several years in bringing our mental health regulations together and steps in you all have taken in streamlining them. We are hopeful this bill is the next step in that good work to build a regulatory system that can respond to the changing needs of our industry and our communities.

Thank you for your leadership and support.

Karina Forrest Perkins, President & Executive Director