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Representative Peter Fischer, Chair  
Human Services Policy Committee  
Minnesota House of Representatives  
January 24, 2024

Dear Chair Fischer and Committee Members

On behalf of Introspect Mental Health, 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. Thank you for holding this hearing to review the *Minnesota Health Care Programs Services Rates Study* and its recommendations.

We are a mental health clinic located both in Cambridge MN and Metro Area. We treat adults, teens specializing in trauma disorders. Our clinic provides services to a wide range of mental health conditions as well.

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.

- This past year Introspect had an overall net revenue after taxes and expenses of 20,000 to carry us over to the next year. As a result it is difficult to keep our system going. We have experienced an increase in those seeking services, costs, infrastructure costs, overhead for salaries, and additional roles that are 100% funded by the work of our providers.
- Introspect currently pays our providers at the maximum possible rate, and offers benefits, however, we are unable to make profits to add new providers and expand our service locations. For each 53min session, we bring \$104.00. This 104.00 dollars pays for the therapist's time, administration, sick time/ vacation and medical benefits for employees.
- In addition to the financial hardship, we are paying a 1.8% provider tax on every dollar we earn. That reimburses us at 102.00 dollars for one session.
- We do have the option of limiting the number of Medicaid clients we see, however, Medicaid is most of our patient demographic and turning away people because of their type of coverage is unethical and would be devastating to the overall mental health of our areas.

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 serve primarily trauma disorders and currently we have approx. 20 children waiting, which are being referred elsewhere. 10-15 adults and families waiting at all times. Our providers are unable to provide services that can meet the needs of our current clients, having to at times cut short the length of treatment to ensure others are getting in for the care they need. Most people on our list with a trauma disorder are waiting at minimum 1 month for services.

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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.**

Thank you for hosting this hearing to review the Rates Study and its recommendations. Please help us move these recommended investments forward - this is foundational to solving our mental health and SUD crisis in Minnesota.

Sincerely

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