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

Dear Chair Fischer and Committee Members

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

Relate Counseling Center is a nonprofit organization that has provided mental health care in Western Hennepin County for 54 years. Relate provides outpatient therapy services and chemical health counseling at two office locations and in 52 schools in the West Metro regardless of financial limitations.

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 majority of Medicaid clients seen by Relate occur in school-based mental health sessions. The costs of providing these services continue to increase. In 2023 our cost per clinical hour was \$134.04. The school clinicians are paid at the reduced non-doctoral Medicaid reimbursement rate of \$83.01 per session. This requires a supplement of \$51.03 per session. Medicaid accounted for 27% of our school-based payers.

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. The waiting list for Relate is currently at 117. The majority of these clients are children. Many of these clients are on the waiting list for weeks, sometimes longer, before we are able to accommodate their 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.** 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,



Joan Twiton

Executive Director, Relate