



# MACSSA

Minnesota Association of County Social Service Administrators

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March 1, 2022

Chair Jennifer Schultz  
Human Services Finance and Policy Committee  
Minnesota House of Representatives

RE: [HF3439](#) (Wolgammott) County cost of care payment exceptions modified.

Dear Chair Schultz and Committee members,

The Minnesota Association of County Social Service Administrators (MACSSA) offers strong support for HF 3439 and thanks Representative Wolgammott for authoring this bill.

Our current mental health system is inadequate to meet the needs of Minnesotans. Counties are struggling to find services and placements for people with complex or acute mental or behavioral health needs. In a state directed, county administered human services system, the state must be the entity that provides safety net services for the most vulnerable and most difficult to serve adults and children residing in Minnesota. This is an appropriate responsibility for Department of Human Services (DHS) Direct Care and Treatment (DCT).

Minnesota Statutes, section 246.54, includes a provision to bill the county for 100% of the cost of care when a facility determines it is clinically appropriate for the individual to be discharged to a lower level of care. In cases where the appropriate level of care requires an individual to transfer from one state operated facility to another state operated facility, it is inappropriate for the state to charge counties for delays in that transition – whether that is based on a failure by DCT to move individuals appropriately through our state operated services or the result of a lack of necessary capacity in the state system.

This bill, as amended, would exempt counties from paying for that cost of care for an individual who no longer meets the medical criteria to stay at Anoka-Metro Regional Treatment Center (AMRTC) or a community behavioral health hospital (CBHH), when the individual has been committed by the court as a person who has a mental illness and is dangerous to the public (MI&D), under section 253B.18. In Minnesota, the appropriate placement for an individual who is committed as mentally ill and dangerous would be another state operated facility. Since the state operates facilities at both these levels of care, it is appropriate for the state to cover the cost of this placement until the state is able to make a transfer to an appropriate alternative placement within their own system.

It is very challenging for counties to plan and budget for unpredictable Does Not Meet Medical Criteria (DNMC) costs or absorb these ballooning costs using county levy dollars – particularly for Minnesota's smaller counties. The DNMC cost for one person with complex needs who is difficult to serve, which accumulates quickly while a county waits for an opening in the appropriate facility, can reach hundreds of thousands of dollars and surpass a small county's entire behavioral health budget for the year. It is inappropriate for counties to incur this cost for individuals who are MI&D – individuals who are in a state facility and who are waiting for an opening in another state facility.

In addition, unfortunately DNMC dollars paid by counties to the state do not contribute to developing additional placements or addressing gaps in our mental health continuum. These dollars are not recovered by the state to supplement the DHS or DCT budget or to build out the capacity that is lacking in their system: they go to the general fund. Counties retaining these dollars at a local level could result in additional investment in the mental health needs in our communities.

The Department of Human Services has indicated that the 100% county cost of care when an individual “Does Not Meet Medical Criteria” in a setting is appropriate, or even beneficial, as it creates financial incentive and motivation for counties to make every effort to find or establish a placement that is less restrictive and more appropriate to the individual’s current needs. By the state’s reasoning, this proposed change could provide an incentive to the Department of Human Services to prioritize their Performance Improvement Process to move individuals more efficiently to their appropriate level of treatment or seek additional necessary investments in our mental health continuum of care.

Ultimately, the state is best served by counties retaining the current DNMC dollars paid for individuals who are MI&D and MACSSA appreciates your support for HF 3439.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Freeman", with a stylized flourish extending to the right.

Matt Freeman  
Executive Director  
Minnesota Association of County Social Service Administrators

Cc: Rep. Dan Wolgamott