



Minnesota Inter-County Association

(651)222-8737 | www.mica.org

Sent Via Email

March 17, 2021

Representative Jennifer Schultz
Human Services Finance and Policy Committee Chair
473 State Office Building
St. Paul, MN 55155

Dear Chair Schultz and Members:

On behalf of the Minnesota Inter-County Association (MICA), a county organization representing fifteen of Minnesota's largest and fastest growing counties that are home to nearly 40 percent of the state's residents, including four suburban and eleven greater Minnesota counties, thank you for the opportunity to comment on HF111.

MICA strongly supports HF111, which would hold counties harmless for 2019 billing errors related to substance use disorder services provided by counties following state guidance. We thank Representative Liz Olson for continuing to advocate for counties.

HF111 would appropriate \$8.812 million from the General Fund to DHS to reimburse counties for the substance use disorder services provided in institutions for mental disease (IMD). This issue arose when the state improperly billed the federal government for certain services that counties administer and are now, in turn, asking for counties to pay back a portion of the funds owed to the federal government.

We value a strong state-county partnership as essential to the effective administration of complex human service programs. Our support for this legislation is aimed at protecting the financial interests of member counties - not an assessment of the billing errors themselves,

In a state supervised, county-administered system such as Minnesota, counties rely on the state to implement and communicate federal regulations, provide billing systems and technologies, offer training, and oversee compliance with federal regulations. Counties should not be financially responsible for errors within these systems when counties are not at fault and have no ability to plan or prepare for the unexpected costs.

What is clear and agreed to by all parties is that counties had no way to anticipate or control these errors, and this legislation would alleviate the significant unplanned disruption to county budgets.

Thank you for your consideration.

Matt Massman *Executive Director*



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CC: Representative Liz Olson