



**February 24, 2023**

**REPRESENTATIVE PETER FISCHER, CHAIR**  
HUMAN SERVICES POLICY COMMITTEE  
MINNESOTA HOUSE OF REPRESENTATIVES

Dear Chair Fischer and Committee Members,

On behalf of Woodland Centers, I am sending this letter to support Representative Bierman's House File 1683 – Targeted Long Term Rate Reform for Intensive Mental Health Services.

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.

Woodland Centers has provided Adult Residential Crisis Stabilization services for decades and have proven to be a leader for this model of care across the state. Every year we get phone calls and visits from providers across the state inquiring about our model and wanting to learn more from us about how we provide this service. Our Adult Crisis unit served 264 individuals for a total of 865 bed days in 2022. Woodland Centers was also one of the first implementers of Behavioral Health Home (BHH) services in 2016. We have a strong BHH team and our communities value this innovative model of care. In 2022, our BHH team served 103 individuals ranging in age from 3 to 80 and provided over 790 services. These

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two services are vital assets in our continuum of mental health services provided in our communities and we continue to see more demand for these services over time.

Current workforce crises, capacity shortages and lacking infrastructure limits us, and our mental health system, from meeting intensive mental health services needs that has resulted in children and adults having to access hospital level of care instead. This trend is overwhelming hospitals, financially straining our state, and most importantly is not the appropriate treatment model for our community members in need of intensive mental health services.

We support HF 1683's proposals to support services with cost-based or state set rates that are structurally unable to keep pace with service demands, inflationary pressures and facility improvement needs. Proposals in this bill include:

- Allowance for estimated staffing costs/ investments in cost-based rates
- Coverage of room/ board costs for residential services to MNCare enrollees
- Establish a single, streamlined rate structure for BHH, including an annual inflation adjustor
- Establish a cost-settlement process for PRTFs and an annual inflation adjustor

By enacting these proposals, service providers will be better equipped to increase service capacity for intensive mental health services and therefore better meet the intensive mental health service needs of children and adults. Please support Representative Bierman's HF 1683.

Thank you for your consideration and support of the mental health needs of our clients, communities, children and families.

Sincerely



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

Chief Executive Officer

Woodland Centers