Association of Minnesota Counties
www.mncounties.org

Minnesota Inter-County Association
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MACSSA
Minnesota Association of County Social Service Administrators
www.macssa.org

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Dear Chairs Benson and Liebling:

On behalf of AMC, MACSSA, and MICA, we write to provide county input on provisions in the House and Senate versions of HF2128, the omnibus health and human services bill. Counties thank the House and Senate for their inclusion of the following:

Codification of Waivers: Peacetime emergency waivers and modifications issued by the Department of Human Services (DHS) have permitted county staff to change the delivery method of services without sacrificing service quality by doing such things as conducting client meetings via video and processing enrollment paperwork remotely. The result of the waivers thus far is that residents experience limited disruption in benefits and have more choices on how they can interact with counties and our community partners.

Through the COVID-19 pandemic, counties have learned some best practices and believe that some of the waivers and modifications issued by DHS and supported by the Legislature demonstrate better, more efficient ways to deliver services; promote the safety and well-being of clients and staff; and may have the added benefit of preserving limited state and county resources. Counties evaluated the current COVID-19 waivers and advocate that four of these modifications be codified in statute:

1. Allow MFIP recipients to apply for benefits and attend orientation remotely. **[House Article 8, Sec. 23; Senate Article 9, Sec. 13, 15]**
2. Allow MnCHOICES assessments to be conducted remotely in certain circumstances. **[House Article 7, Sec. 17]**
3. Allow for targeted case management to be conducted remotely in certain settings. **[House Article 7, Sec. 14; Senate Article 8, Sec. 15, 22]**
4. Allow for flexibility in absence policy for individuals receiving housing supports. **[House Article 14, Sec. 13; Senate Article 14, Sec. 57]**

Adult Mental Health Initiative Grants: Counties thank the House and Senate for including funding increases for Adult Mental Health Initiative (AMHI) grants. AMHI funding has been used to hold together and innovate within a fragile and fractured mental health system. AMHI dollars are utilized to support many necessary services that would otherwise not be available or sustainable. We recognize the differences in the House and Senate approaches to funding **[House Article 12, Sec. 31; Senate Article 13, Sec. 32]** and would encourage the conference committee to consider ongoing, sustainable dollars for this work as opposed to one-time funding so that we can sustainably build community infrastructure to support individuals and families before their situations reach crisis.

Pretreatment Coordination: The state's transition to a direct access model for substance use disorder (SUD) treatment has exposed many of the gaps and workforce challenges in our patchwork of SUD services. Counties have worked for several years on this proposal out of concern that individuals may fall through the cracks as this model is fully implemented. This language will allow counties to conduct and bill medical assistance for pretreatment coordination services and conduct peer recovery supports. Many individuals encounter counties in the course of seeking other public assistance; it is important for us to be able to provide some initial assessment when the individual is in the moment that they are willing to seek treatment. The ability to conduct these services also positions counties well to work with individuals to sign them up for health care to enable them to seek treatment and set them up for success. With an inadequate system of care and lack of access to providers, the alternative in many parts of the state, is that an individual will need to travel or wait to be seen. Best practices reflect that if an individual is in a time and space to seek treatment, that is the time to act. We thank the Senate for including this important provision and encourage the House's acceptance. **[Senate Article 1, Sec. 6]**

Repayment related to Institutions of Mental Disease (IMDs): We thank the House for holding counties harmless from accounting errors relating to IMD treatment. This is not a billing issue; rather, it is an IMD determination issue, which presents a problem for counties because we have no role in these determinations and had no way of knowing that there was an error in the

equation used to determine our portion of the bill. For counties to have to come up with funds during this new fiscal year - especially in a year marked by already strained budgets, new costs due to COVID, and higher needs for financially impacted communities - is very difficult. We encourage the Senate to accept the House position. **[House Article 21, Sec. 2, subd. 17(b)]**

Telehealth: Counties have been utilizing telehealth for many years and find it to be a useful tool. Since COVID, it literally has become a lifeline as we can conduct more frequent case management visits utilizing this technology. While not intended to replace face-to-face visits, we see telehealth as a supplement to how we best serve our clients.

We support language in the House and Senate that lifts the maximum number of three telehealth visits per week. We also see the need for uniformity and believe that guardrails need to be put in place to ensure that quality and quantity are addressed. We have concerns that some clients do not have access to technology, including broadband service, or the ability to manage these types of visits. We will continue to encourage your colleagues in other budget areas to prioritize investment in the state's broadband infrastructure as we know this is a critical piece to successful delivery of telehealth services. **[House Article 7; Senate Article 8]**

We also support Senate language that would create a **Telepresence Task Force.** Investment in an effective, coordinated system is needed to increase access to care for clients and patients who need it most. A statewide taskforce of experts could ensure the development of a public-private telepresence system that works better for all Minnesotans. We urge the House to accept the Senate position**. [Senate Article 8, Sec. 25]**

Homelessness: Counties support direct investments in emergency shelters and increased assistance for homelessness prevention programs. Across the state, we see increased homelessness and its detrimental effects on families and communities. Relevant to the HHS omnibus bill, we support the following provisions:

- **Emergency Services Program (ESP):** We are thankful for the House position to invest $9 million in annual, ongoing funding for the ESP. ESP is the state's most flexible funding source for emergency shelters, supporting operations and services like housing navigators, medical and mental health help, employment counseling and job placements, transportation and more. This funding is important to strengthening and stabilizing shelter operations across Minnesota. **[Article 21]**
- **Housing Support:** Counties support the Senate position of increasing the Housing Support base rate funding to allow more providers to work directly with private market landlords to secure stable housing for individuals. **[Article 21]**
- **Metro Housing Demo:** The purpose of the Metro Demo is to strategically expand and update a 1995 demonstration project in Housing Support, formerly known as Group Residential Housing (GRH). Many homeless individuals have challenges with mental health and substance abuse issues. This proposal increases the number of housing units and expands the project to the entire seven-county metropolitan area, by adding Carver, Scott and Washington counties. This language will help to strategically create the resources to provide needed housing with services in the most cost-effective way. We thank the House for including this provision and encourage the Senate's acceptance. **[House Article 14, sec. 31]**

Background Studies: In pursuit of ensuring access to vendors in their local areas, a number of counties have participated as vendors for fingerprinting services required in NetStudy 2.0. Counties appreciate the ability for the state to retain the services of more than one authorized fingerprint collection vendor to assist in ensuring adequate access to these services across the state. We thank the House and Senate for their inclusion of this proposal**. [House Article 2, Sec. 12; Senate Article 6, Sec. 21]**

Family First Prevention Services Act (FFPSA): Counties appreciate the commitment to move forward with state action on the federal Family First Prevention Services Act (FFPSA). FFPSA is an opportunity to move toward a more equitable delivery of child welfare services in Minnesota. Counties have engaged in the work of FFPSA planning alongside DHS and stakeholders in an often-frustrating process to develop the framework. It is critical that this work continue, especially the work to build out Minnesota's prevention services infrastructure and develop a statewide kinship network. These areas are critical to addressing the overrepresentation of African American and American Indian children in our child protection system. We know the implementation of FFPSA has significant systemic implications, including new costs incurred by counties, tribes, and providers. We appreciate the House and Senate proposals recognizing the anticipated loss of Federal IV-E reimbursement funding for counties by including an appropriation to offset this lost revenue. **[House Article 11, Sec. 10; Senate Article 11, Sec. 12]**

Mental Health Uniform Service Standards: We support the state's goal of creating a system of mental health that is unified, accountable, and comprehensive, and promotes the recovery and resiliency of Minnesotans with mental illness. We also support Minnesotans' access to quality outpatient and residential mental health services and the health and safety, rights, and well-being

of Minnesotans receiving the services. Thanks to the House and Senate for including the language brought forward by the comprehensive stakeholder process conducted by the Department of Human Services. **[House Article 17; Senate Article 16]**

Basic Sliding Fee (BSF) Reprioritization: Counties support a House provision that simplifies the BSF Child Care Program by reordering the wait list priorities. The proposal would reorganize the five existing categories within the BSF Child Care Program. Currently, counties are required to prioritize BSF funding for families exiting MFIP. However, these families are already receiving childcare through the MFIP Child Care Program, which utilizes forecasted funds rather than limited BSF funds. When BSF funds are overspent, the financial risk is held by each county. This proposal would ease pressure on these limited BSF funds by no longer requiring them to be spent on families already receiving childcare through MFIP until all other categories have been served, including veterans and working poor families (the largest category). As a result, more families of essential workers would receive childcare assistance and more children would receive care. This proposal will also increase a county's ability to maximize services, while being prudent stewards of local resources.

This proposal goes a long way to address an issue that counties across the state experience – insufficient funding to assist low-income families in securing quality childcare. Many of these families include essential workers impacted by the pandemic. The BSF Child Care Program supports families who are striving to work by ensuring that the children in the family get the benefits of childcare**.** We encourage the committee to adopt the House position. [**House Article 9, Sec. 1]**

While counties support the great work represented in both bills, we do have concerns about some provisions under consideration:

Children Adolescent Behavioral Hospital (CABH) Cost Shift: Counties have expressed concerns for the last several years about the cost shift to counties related to Direct Care and Treatment (DCT) services. Despite lack of evidence that the cost shifts in other DCT areas are producing better outcomes for individuals, we are disappointed to see this cost shift extended in both the House and Senate proposals to individuals at the CABHs facility. This will result in a $2.46 million cost shift to counties for each of the next two biennia. **[House Article 13, Sec. 1; Senate Article 13, Sec. 5]**

The stated goals of these cost shifts have been to encourage counties to place patients in less-restrictive settings as soon as possible. If there is any kind of delay, counties pay 100 percent of the cost, which currently exceeds $1,300 per day. The problem with these proposals is that they fail to recognize that our system of care is not robust enough to have adequate placements for individuals exiting these acute care facilities. Counties oppose these cost shifts as they do not serve a public policy goal. Furthermore, counties object to these county dollars being sent to the General Fund rather than being reinvested in our mental health system. If one of the cost drivers in this area is the lack of appropriate settings, counties would at least request that current county funds be directed to address systems gaps.

We urge the House and Senate to not advance this cost shift proposal and instead work with counties and DHS to develop our mental health delivery system more fully.

Proposed Benefit Carveouts: Counties echo the concerns raised by Minnesota's County Based Purchasing (CBP) plans about some of the carveouts of PMAP benefits in the bill that originate from the Governor's budget proposals. Counties recognize that centralizing some services and carving out certain benefits from inclusion in managed care plans in pursuit of efficiencies and cost savings is a laudable goal for the state; however, we have concerns that if not properly managed, this may cause confusion for residents and lead to compromised service quality. This approach also seems contrary to our goals of moving towards more integrated services. If not managed properly, counties have concerns about carveouts such as those proposed for Dental, Pharmacy and Nonemergency Medical Transportation. We encourage the conference committee to not adopt the House provision related to this carveout. **[House Article 1, Sec. 10, 43, 47, 65]**

Waiver Services Cost Share: Counties oppose the new cost shift to counties for individuals 18-27 years of age receiving services in ICF-DD facilities, as well as residential support settings, community residential settings, corporate foster care, and customized living settings. These Medicaid waiver services, delivered by counties, are incredibly expensive. While we are still analyzing what the cost may be, we know the annual rates for these services range from $47,000 - $1 million annually for one individual. Counties estimate the total cost of new placements meeting the statutory definition to be millions of dollars annually across the state in a new county cost share that would have to be absorbed by county property tax levy increases.

Counties share the state policy goal of placing and serving individuals in the most appropriate, productive settings so that they may live their best lives. However, counties do not agree that imposing a cost shift will directly result in fewer individuals being placed in the most expensive settings. The fact is that in some areas of the state, viable alternative settings do not exist or may not align with an individual's goals which can place counties in an untenable position.

Counties commit to working collaboratively with the state to address the continuum of care for individuals with disabilities and strongly urge the committee to not adopt the Senate position. **[Senate Article 14, Sec. 21, 37]**

MnCHOICES: The proposal would modify reimbursement for long-term care consultation services by reimbursing counties a percentage of the non-federal share equal to the value of the county's prorated share for services provided during fiscal year 2019. Counties have fundamental concerns about moving forward with such sweeping change that could affect the finances of service delivery when the MnCHOICES Revision is scheduled to be rolled out later this year. While counties agree with the importance of developing efficiencies and streamlining administrative functions, what counties cannot control is the significant growth in the need for services, which is ultimately the largest cost driver. We also have concerns with provisions in the bill that impose financial penalties on assessment costs for case management outcomes related to informed choice. We believe that by creating this financial linkage between case management and assessment practices, our counties will be conflicted on how best to manage both service areas. We encourage the committee to not adopt the Senate position. **[Senate Article 14, Sec. 14, 15, 70, 78]**

Waiver Growth Limits: Counties have concerns regarding the proposed CADI and DD waiver freezes. Counties are seeing increased utilization of these waivers and are very concerned that this type of policy could result in waiting lists for individuals in need of these services. Again, we encourage the conference committee to work with counties, DHS and other stakeholders through the Waiver Reimagine or other processes to have a robust conversation about disability service delivery. We respectfully ask that you oppose the Senate position. **[Senate Article 14, Sec. 73]**

We appreciate the committee's work to assemble an omnibus bill that reflects the needs of Minnesotans. We thank you for your time and appreciate your consideration of our feedback. Please consider us resources as you continue this work as budget discussions progress.

Sincerely,

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Association of Minnesota Counties

Matt Massman, Executive Director
Minnesota Inter-County Association

Matt Freeman, Executive Director
Minnesota Association of County Social Service Administrators

cc: Members of the Health and Human Services (HF2128) Conference Committee