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Dear Chair Fisher and the House Human Service Policy Committee,

I am writing to share the desperate need for rate increases for mental health services in Minnesota. As a provider and employer in various rural areas across the State of MN, I have seen firsthand the deterioration of our state's mental health over the past decade. I believe a significant trend in the decline in overall health and well-being is the stagnant reimbursement rate for mental health providers. The continuous rise of costs in all areas of life has put an unmanageable financial burden on mental health agencies. Giving our hardworking and talented mental health providers needed raises has been challenging and sometimes impossible. We are strained by the increased costs associated with benefits we offer to employees and the many other expenses that continue to grow yearly, such as rent, utilities, training, licensures, etc. With the costs to run a non-profit business increasing and reimbursement rates not, there have been times when we cannot break even on the services we provide to our communities, let alone make a small profit. Reimbursement rates have not been adjusted in many, many years, and the result is that agencies cannot survive. As an employer, I have lost numerous staff to private practices over the past four years. In talking with staff who have decided to leave a community-based non-profit agency and start or join a private practice, they frequently attribute their decision to pay. Private or small group practices can pay their providers more because they are very specific on which insurance they will take, i.e., those that reimburse at the highest rate, which is never MN Medicaid. This leaves our state's Medicaid population seeking services at community agencies. Since we believe in serving those in need, we do not turn away clients based on their type of insurance. However, this leaves agencies with many Medicaid clientele being reimbursed at the unlivable reimbursement rate. Mental health rates need to be prioritized and need to be increased. This needs to happen this legislative session. We need action on reimbursement rates to keep agencies like The Village open and serving MN residents. Our state will continue to see fewer providers willing to take Medicaid insurance clientele without an increase. When children, families, and adults are unable to access mental health care when they are in need, their symptoms worsen. The cost to the state increases with people seeking out emergency rooms, needing hospitalization due to the severity increasing, not being able to sustain employment or attendance at school, the emergence of physical health conditions associated with untreated mental health, etc. By raising the reimbursement rates, more providers will be willing to take Medicaid clientele, reducing wait times for services and, in turn, getting people help earlier to ease the pain, suffering, and unnecessary financial strain on other resources.

Fixing the Medicaid mental health rates must be the highest priority for the 2024 session. We cannot wait any longer.

Sincerely,

Joni Medenwald, MSW, LICSW

Division Director & therapist

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