
Representative Peter Fischer, Chair
Human Services Policy Committee
Minnesota House of Representatives
January 24, 2024

Dear Chair Fischer and Committee Members

On behalf of Apollo Counseling Inc., I am sending this letter to share the importance of investing in our Minnesota's Medicaid (Medical Assistance) rates for our mental health and substance use disorder services. Thank you for holding this hearing to review the *Minnesota Health Care Programs Services Rates Study* and its recommendations.

Apollo Counseling Inc is an Adult Rehabilitative Mental Health Services (ARMHS) provider serving the 7-metro county area, and several counties in Greater Minnesota as well. Apollo also specializes in providing business solutions for other ARMHS providers, particularly those who are developing programs aimed at refugee and other underserved populations in our state.

We continue to experience a more severe mental health and SUD care access crisis coming out of the global pandemic than ever before. At the root of this crisis is the lack of **sustainable reimbursement funding** for our mental health and SUD care sector. Costs of delivering care and sustaining staff salaries, benefits, facilities infrastructure and meeting state regulations have increased exponentially. But, Medicaid (Medical Assistance) reimbursements – the core source of funding for our MN mental health and SUD treatment system – are not keeping pace. One small example of this is that labor costs ARMHS have skyrocketed by approximately 70%, while reimbursement rates for ARMHS codes have risen 0%.

Out of necessity, our community providers are closing programs or significantly decreasing size their services in efforts to keep some base level of access to services we can available to our clients. This is resulting in increasingly long waiting lists and longer periods of time clients are kept waiting for care. The average wait for ARMHS at most companies Apollo consults with is over 4-6 months, during which time clients often fall deeper into crisis and end up in the hospital instead of getting ARMHS that could have stabilized them for a fraction of the cost.

Community mental health providers and programs are striving to keep up with the heightened need for mental health and SUD care, while being reflective and highly responsive to the individuals, families and communities we serve across the state. This work comes with many rewards and challenges. We have been working with the Legislature and the Department of Human Services (DHS) over the course of many bills and rates studies, most recently throughout last calendar year 2023.

We deeply appreciate your passage of three (3) percent increase with an annual inflation adjustor last year. **We are happy to learn the rates study that predicated this change is complete, and we are ready to support moving recommendations for investing in our rates structures to sustain our clients' access to critical mental health and SUD services.**

Thank you for hosting this hearing to review the Rates Study and its recommendations. Please help us move these recommended investments forward - this is foundational to solving our mental health and SUD crisis in Minnesota.

Sincerely,

Sam Major LMFT, Owner and CEO of Apollo Counseling Inc.

