



Minnesota Association of Community Mental Health Programs

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

Dear Chair Fischer and Committee Members

On behalf of the Minnesota Association of Community Mental Health Programs (MACMHP), I am sending this letter to convey 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 Rates Study and its recommendations.

MACMHP is the state's leading association for Community Mental Health Programs, representing 39 community-based mental health providers and agencies across the state. Our mission is to serve all who come to us seeking mental and chemical health services, regardless of their insurance status, ability to pay or where they live. As Essential Community Providers, we serve primarily culturally diverse, low-income, uninsured and public healthcare program insured Minnesotans, who cannot access services elsewhere.

We continue to experience a more severe mental health and SUD care access crisis coming out of the global pandemic than before. At the root of this crisis is the lack of sustainable reimbursement and investments for our 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.

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. Waiting lists for intake and treatment are more than two months long because our providers have increasing numbers of unfilled staff positions. These are in part due to competitive market salaries increasing by up to 30-40% and more in certain areas, while Medicaid reimbursements have remained flat. Our community providers are also feeling the consequences our hospital partners have from our clients – children and families – boarding in emergency departments and inpatient units, knowing this is frequently not the right care for them.

Community mental health and SUD programs are striving to keep up with the need for care, while being reflective and highly responsive to the individuals, families and communities we serve across the state. We have been working with the Legislature and the Department of Human Services (DHS) over the course of many bills and rates studies since 2014. We are grateful for the work this legislature did in passing the three (3) percent rates increase in 2023. We also know that outcome was influenced by the anticipation of this CY 2023/24 Medicaid Rates Study. We are happy this report is complete and are ready to support moving recommendations for investing in our rates structures to sustain our clients' access to critical mental health and SUD services.

Our provider associations, programs and hospital partners in the Mental Health Legislative Network are in good conversations with the Department and are introducing legislation this year with several proposals to address our MA rates, including several of the report's recommendations:

- Align applicable physician services paid under CMS's Resource Based Relative Value Scale (RBRVS) equal to 100% of the Medicare rates (Appendix E)
- For mental health and SUD services outside of RBRVS, benchmark rates for services using market-based costs (Appendix B)
- Increase residential SUD rates (Appendix A)
- Streamline behavioral health home (BHH) rates into one statewide rate and increase the rate (Appendix C)



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Additional proposals in the bill today include:

- Bonuses for underserved and professional shortage areas in the state
- Increasing the hospital rebasing adjustor for inpatient behavioral health services
- Ensuring rates' changes are passed through under Managed Care to providers

We recognize the current state budget environment and that this bill's proposals will need to have scaled implementation. We are hopeful for more conversations like this one that will move parts of this critical work forward this year.

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

Jin Lee Palen
Executive Director
Minnesota Association of Community Mental Health Programs | MACMHP