



ATAM – The Autism Treatment Association of Minnesota

March 4, 2023

Support HF 1604/ SF 1765

Autism providers need immediate financial relief to ensure that children and families have timely access to early intervention for autism (EIDBI).

They suffered a sudden deep drop in their workforce during the great resignation of the winter of 2021-2022, which persists today.

This resulted in a total financial loss of \$20 million to the group of providers, which they now carry as a debt which is difficult to repair, because all of their funding is paid by a Fee-for-Service.

Due to historically low reimbursement rates, the margin for each billable service too slight to repair that debt, while also attempting to recruit and retain new employees.

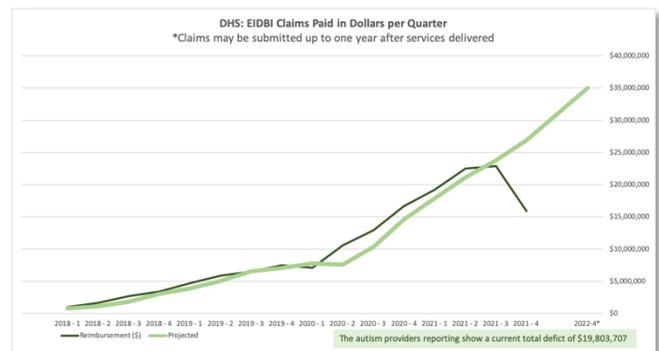
What happened to the Medical Assistance Reimbursement?

Minnesota DHS was reimbursing providers for EIDBI autism treatment services at the rate of \$23 million per quarter as of August of 2021.

By December of 2021, the total reimbursement for services had dropped by 30% to \$16 million.

The autism providers are now reporting a current total deficit of \$19,803,707

Many are likely to close, under the weight of the resulting debt burden.



The families suffer.

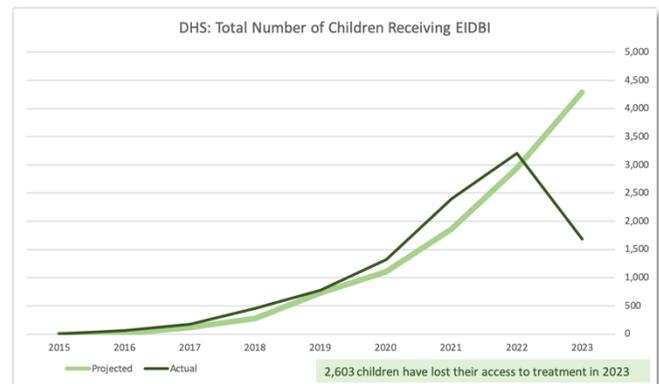
This hit our families hard.

2,603 children have lost access to EIDBI – a 60% drop in access to treatment.

These are families who are losing their chance for early intervention.

They have nowhere else to go for the treatment that their children need.

They are back on the waiting lists.

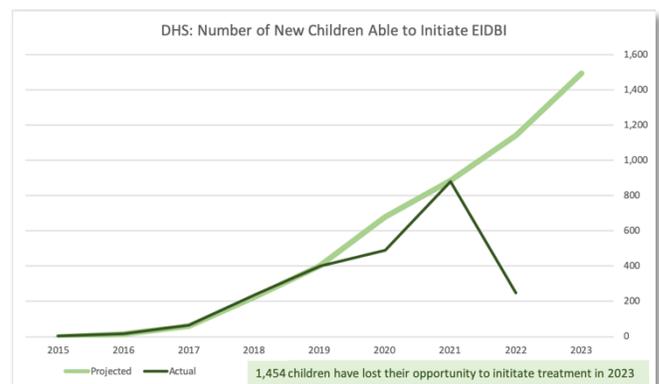


1,454 less new children are now initiating treatment – a 165% drop in new children beginning treatment.

EIDBI is Early Intensive Developmental Behavioral Intervention – A ground-breaking autism treatment program that was initiated by Governor Dayton in 2013.

EIDBI is designed to provide the mentoring and support that disadvantaged workers need to enter this workforce.

Yet the current Fee-For-Service reimbursement rates are inhibiting the providers' ability to meet that promise.



What is the Financial Impact on the ATAM Providers?

Solutions Behavioral Healthcare Professionals:

Since February, 2021, our nonprofit agency has experienced a reduction in its workforce of nearly 20%. This has had a substantial negative impact on Solutions' financial picture, i.e., an over \$500,000 loss over the past three quarters.

(Serving families in Moorhead, St. Cloud, Alexandria, Fergus Falls, Detroit Lakes, Breckenridge)

Lovaas Institute Midwest:

The 2021 year-end loss was approximately \$150,000 (\$45,000 loss in November and \$88,000 loss in December). Then we lost \$93,000 more in January. This is all Fee-for-Service money, so we can't make it up. Our overhead costs will only increase because of the increased cost of onboarding to replace the lost staff. Prior to the pandemic, we had 71 FTEs clinical staff (31 Level II). Now we have 53 FTEs clinical staff (22 Level II). We are trying to hire 13 new BTs in anticipation of further resignations and FTEs.

(Serving families in Minneapolis, St. Paul, Maple Grove, Burnsville, Fridley, Maplewood)

Behavioral Dimensions:

BDI experienced a six-figure loss in the 4th quarter of 2021, resulting in a larger six figure loss for the entire year of 2021. We had another loss in January 2022. From June 2021 to November 2021, we experienced a 23% decrease in total billable hours and have not yet recovered those lost hours. We also experienced a significant decrease in our billable percentages. In order to retain employees, we needed to pay staff for a significantly higher percentage of non-billable hours. In June, 79% of our paid hours were billable. In November 64% of our paid hours were billable. We are particularly struggling in the rural parts of the state where we provide services. We now have less applicants in March and April than we usually experience. Expenses continue to rise: employee health insurance premiums, liability insurance increases, workers compensation insurance increases, staff retention through annual pay increases.

(Serving families in St. Louis Park, Isanti, East Bethel, Cambridge, Duluth, St. Cloud, Alexandria, Marshall)

St. David's Center:

Staffing shortages have led to major disruptions in treatment frequency and consistency. We are not able to enroll to capacity, we often have to operate fewer days of the week and/or fewer hours in the day/week, and we aren't always able to provide the notice to families they need to plan the rest of their life accordingly (when absences are unexpected).

(Serving families in Minnetonka, Minneapolis)

The READY Clinics:

The three READY Clinics serving the SW part of the state had a significant financial deficit this last fiscal year. Due to COVID, for example- in a 6 month period of time, there were 178 days of staff absenteeism. This resulted in cancelled sessions, increased group time, and clinic closures which resulted in significant revenue losses. We have significant wait lists at all three locations, but unable to hire quality staff to service the waitlist. The applicants that we do have only possess a high school diploma. By the time that salary and benefits are accounted for, the Level 3 reimbursement rate from DHS (primary funder), we do not make enough revenue to even cover those costs. If we have another year financially like we did this year without any relief or support, we will be closing programs.

(Serving families in Marshall, Cosmos, Montevideo, Pipestone)

The Lazarus Project:

COVID-19 is financially devastating the Lazarus Project. We have had massive increases in client and staff absences due to health and safety protocols. As we bill only for services provided, this has made both of our sites lose money (operating below break-even). Employee shortages make it impossible to increase client numbers. The outlook is bleak despite the remarkable outcomes we see with our clients.

(Serving families in Plymouth Mendota Heights)

Rochester Center for Autism:

Our program is losing revenue every month. Like everyone else we are struggling to find staff, retain staff, etc. Our staff are wanting increased wages to deal with inflation and we are losing people because of this.

(Serving families in Rochester)

Fraser:

We continue to anticipate a deficit at the end of the year. We are still about 10 - 15 % below our current budgeted services / earnings for the year. This amount is below our pre-COVID numbers. In addition, we continue to struggle to find the quality and quantity of staff needed to meet our client need.

(Serving families in Minneapolis, Bloomington, Coon Rapids, Eagan, Richfield, Woodbury)

Autism Matters:

The pandemic has caused significant impact to our organization. Autism Matters has lost a significant amount of revenue across locations each month due to low caseloads while trying to keep our current structure in place for our employees. The frequent client/staff absences and staffing shortage has impacted our clients services, our ability to serve clients on our waitlist, and to further grow the organization due to the frequent impacts to our financial health.

(Serving families in Plymouth, Rogers, Cambridge, Baxter)

Minnesota Autism Center:

We averaged 70 days of therapy missed each week for the last year due to our own staff shortage. That's a grand total of 3,940 therapy days missed over the course of the year due to staff not being available. (This doesn't include absences due to COVID which were tracked separately.) That equals (roughly) one out of four kids missing a day of therapy each week for the entire year.

(Serving families in Minnetonka, Eagan, Eden Prairie, Fridley, Maple Grove, Woodbury, Vadnais Heights, Duluth, Mankato, Rochester, Cambridge, Medford, Virginia, Hutchinson, Redwing)