



# Minnesota Association of Community Mental Health Programs, Inc.

*MACMHP improves access to and quality  
of behavioral healthcare in Minnesota.*

March 8, 2017

Representative Joe Schomacker, Chair  
Health and Human Services Reform Committee  
MN House of Representatives

Dear Chair Schomacker and Committee Members

Thank you for this opportunity to offer our support to Representative Hamilton and House File 1176 – Rate increase for mental health services and payment floor set under Medical Assistance managed care.

## **Community Mental Health Programs' Perspective**

The Minnesota Association of Community Mental Health Programs (MACMHP) is the state's leading association for Community Mental Health Programs, representing 36 community-based mental health providers and agencies across the state, serving over 100,000 Minnesota families, children and adults. Our mission is to serve *all* who come to us seeking mental and behavioral health services, regardless of their insurance status, ability to pay or where they live. As Essential Community Providers, we are critical to the behavioral health safety net. We serve primarily culturally diverse, low-income, uninsured and public healthcare program insured Minnesotans, who cannot access services elsewhere. Community Mental Health Programs provide wrap-around and community-based services to very complex and vulnerable patients, with love and coordinated care.

MACMHP supports H.F. 1176 and its proposal to increase reimbursement rates for mental health services provided under Medical Assistance. An important part of the proposal in H.F. 1176 is to set the published Medical Assistance (FFS) rate as the floor in managed care contracts to providers. *Minnesota's safety net of community mental and behavioral health is in danger of disappearing.* As safety net providers (essential community providers), the majority of community mental health providers' reimbursements come from Minnesota public insurance programs. Community mental health providers do not have high proportions of commercial insured patients or the financial reserves of larger, integrated systems to supplement losses. Nor do we every turn people away, resulting in our caring for those among the most socially and clinically complex. The lack of adequate funding fuels an over-reliance and pressure on expensive settings, including hospitals, emergency departments, corrections and homeless shelters.

In this same light, MACMHP urges you to set the published Medical Assistance (FFS) rate as the floor in managed care contracts. There is currently no consistency among rates. One MACMHP provider agency reported losses in millions of dollars in payment adjustments between what is charged and reimbursed. These losses contribute to this same provider having to significantly reduce their psychiatry services. Even with this reduction, this provider is budgeted to lose over \$800,000 due to the supports necessary to deliver the service. Community mental health providers have no margin to sustain these kinds of losses. MACMHP strongly believes these changes are vital to temporarily sustain ongoing services until longer-term system re-designs are running. We believe revising the payment system to ensure true costs are reflected and necessary services continue in the interim is critical. **To that end, we are very supportive of Representative Hamilton's H.F. 1176.**

MACMHP thanks you, Mister Chair and the Committee, for this opportunity to provide you with our comments. Please do not hesitate to contact me regarding these comments and general information on community mental health programs at [jin.palen@macmhp.org](mailto:jin.palen@macmhp.org).

Respectfully Submitted

Jin Lee Palen, Executive Director

Minnesota Association of Community Mental Health Program