



March 23, 2021

Chair Jim Abeler and Members of the Senate Human Services Reform Finance and Policy Committee
Chair Jennifer Schultz and Members of the Human Services Finance and Policy Committee
Chair Tina Liebling and Members of the Health Finance and Policy Committee

On behalf of MACSSA, AMC and MICA, we write to provide feedback on several proposals included in Gov. Tim Walz's supplemental budget proposal as related to health and human services. For your convenience, we have separated our analysis into two sections, with the former outlining provisions we support and the latter outlining issues we would like to continue work on.

County Support:

- **Institutions of Mental Disease (IMD):** Counties appreciate the administration's proposal to hold counties and tribes harmless from accounting errors relating to IMD and SUD treatment. This is a top priority of counties this session.
- **AMHI Grants:** Counties are also pleased that the governor reinstated funding for behavioral health grants, including Adult Mental Health Initiative grants. AMHI funding has been used to hold together and continue to innovate a fragile and fractured system and is utilized to support many necessary services that would otherwise not be available or sustainable.
- **Family First Prevention Services Act (FFPSA):** Counties are pleased to see the administration's continued commitment to move forward with state action on the federal Family First Prevention Services Act (FFPSA). FFPSA is an opportunity to move toward a more equitable delivery of child welfare services in Minnesota. Counties have engaged in the work of FFPSA planning alongside the Department of Human Services (DHS) and stakeholders in an often-frustrating process to develop the framework. This is critical work to continue, especially the work of building out Minnesota's prevention services infrastructure and developing a statewide kinship network; these key areas are critical to addressing the overrepresentation of African American and American Indian children in our child protection system. The \$1.32 million in years 2022-2023 in the Legislature's budget is paramount to supporting the implementation of FFPSA.

Counties applaud the governor for including the next phase of **administrative simplification** for our cash assistance programs in the proposed budget. Counties have come to the Legislature several times seeking modifications that better align our complex public assistance programs so that these programs can be delivered in the most efficient and effective way. Counties spend incredible resources on just administering public assistance benefits. We recognize this is a significant funding request. Simplification and uniformity almost always mean that updates will be needed for our antiquated technology systems. These updates are badly needed, and counties strongly believe that if technology investments are made in a way that align with public policy modifications, there could be overall state and county savings in efficiencies alone.

- **Six-Month Reporting for MFIP and General Assistance:** While cash assistance programs like MFIP and General Assistance are intended to help people in need, that aid can change from month to month, making it another variable for people who are already in crisis. Counties support the proposal to change the reporting to give people six months of uninterrupted benefits, rather than the burdensome monthly reports which impact clients whose work hours may fluctuate from month to month. The change would also cut down on the workload of county workers and align the program more closely with federal policies of the SNAP program and Minnesota's Housing Assistance program, which switched to a six-month reporting schedule several years ago.
- **Telehealth:** Counties have been utilizing telehealth for many years and find it to be a very useful tool. Since COVID,

it literally has become a lifeline as we have been able to conduct more frequent case management visits utilizing this technology. While not intended to replace face-to-face visits, we see telehealth as a supplement to how we serve our clients.

We do support the governor's proposal to lift the maximum number of three telehealth visits per week. However, we do see the need for uniformity and believe that guardrails do need to be put in place to ensure that quality and quantity are addressed. We are also concerned that some clients do not have access to technology, including broadband service, or the ability to manage these types of visits. Investment in the state's broadband infrastructure is a critical piece to this discussion.

- **Mental Health Uniform Service Standards:** We support the state's goal of creating a system of mental health that is unified, accountable, and comprehensive - one that promotes the recovery and resiliency of Minnesotans who have mental illnesses. We also support Minnesotans' access to quality outpatient and residential mental health services and the health and safety, rights, and well-being of Minnesotans receiving the services.

County Concerns:

- Counties are concerned about the proposed **cost shift** related to patients at the **Child and Adolescent Behavioral Health Hospital (CABHH)** who are clinically appropriate for discharge. This will result in at least a \$1.23 million cost shift to counties. Counties have expressed concerns about the trend that has occurred with Direct Care and Treatment (DCT) costs being shifted to counties for General Fund purposes. These concerns are only heightened by this proposal.

The stated goals of these cost shifts have been to encourage counties to place patients in less-restrictive settings as soon as possible. If there is any kind of delay, counties pay 100 percent of the cost, which currently exceeds \$1,300 per day. The problem with these proposals is that they fail to recognize that our system of care is not robust enough to have adequate placements for individuals exiting these acute care facilities.

Counties oppose these cost shifts as they do not serve a public policy goal. Even the dollars that counties now pay into the system are sent to the General Fund and not reinvested in our mental health system. If one of the cost drivers in this area is the lack of appropriate settings, counties would at least request that current county funds be directed to address systems gaps.

- Finally, we have some concerns over the administration's proposal around **case management redesign and reform**. Counties have been working with DHS on ways to address federal noncompliance issues and agree that case management reform is necessary. Counties need more information on how this proposal might affect current relationships with contracted case management vendors and how a new rate methodology would impact counties. We are committed to ongoing discussions with DHS to address this.

As always, we thank you for your time and appreciate your hearing the collective county voice. We look forward to working with you as budget discussions continue.

Sincerely,



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Association of Minnesota Counties



Matt Massman, Executive Director
Minnesota Inter-County Association



Matt Freeman, Executive Director
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Service Administrators