April 11, 2024

Representative Tina Liebling
477 State Office Building
St. Paul, MN 55155

Re: HF3495 (Fischer) - Mental Health Omnibus Bill

Dear Chair Liebling and members of the committee,

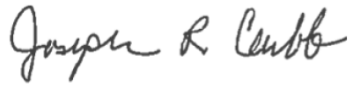
On behalf of Allina Health, we are writing to express our strong support for HF3495, which will provide several needed supports for mental health care services in Minnesota.

Allina Health is a fully-integrated health system with 11 hospital campuses, 65 primary care clinics, and 14 urgent care centers across the Twin Cities, and central and southern Minnesota. We provide robust, patient-centered mental health services across the entire continuum and serve patients at every stage of life—from child and adolescent to geriatric. Each year, Allina Health's mental health and addiction program cares for over 100,000 patients statewide through inpatient programs, outpatient services in ambulatory care, adult day treatment, and adolescent partial-hospital treatment.

There are many urgent needs across our mental health care continuum and several provisions of HF3495 that will have significant, positive impacts on youth and adolescent patients being able to receive the care they need when and where they need it. This includes developing a medical assistance (MA) benefit for children's residential mental health crisis stabilization and expanding access to respite care. By expanding MA to include these services, the state will be providing much needed financial support to providers that will help provide stable and reliable access for children under 21. Additionally, expanding access to respite care services will open additional options for patients that no longer need hospital-level care. Combined, these two provisions will help alleviate some of the boarding and discharge challenges that our hospitals are facing. In 2023, patients that received mental health services at Allina Health waited an average of 36.83 hours in the hospital after being medically cleared for discharge. Each hour a patient – child or adult – spends awaiting discharge is an hour they are not receiving the appropriate level of care for their unique needs.

For these reasons, we urge you to support HF3495 and help our patients receive the care they need when they need it.

Sincerely,



Joe Clubb, LICSW
Vice President, Mental Health and Addiction Service Line
Allina Health

Mary Beth Lardizabal, DO
Vice President, Mental Health and Addiction Service Line
Allina Health

EVOLVE
Family Services

Phone 651.439.2446
Fax 651.439.2071
E-mail Evolve@EvolveServices.org
Web EvolveServices.org

Growing Families
Enriching Lives

April 11, 2024

Re: Comprehensive Solutions to Mental Health Act - HF 3495

Dear Chair Liebling and Members of the Health Finance and Policy Committee,

I am writing in support of the Comprehensive Solutions to Mental Health Act (HF3495) as the Executive Director of EVOLVE Family Services. Our agency has been providing child-centered family services in Minnesota for over 46 years, and since 2016, has been a leader in providing Kinship Foster Care services for children and families involved in the child welfare system. Since 2016, we have served over 650 children in relative placements.

We have seen firsthand the incredible challenges that our children in out-of-home care are facing, and the barriers that kin families often face in caring for their loved ones. The waitlists to see qualified therapists are extensive, and the trauma of child welfare involvement has a direct impact on a child's mental health. Many of our kinship providers receive emergency placement of children and youth with little to no notice, meaning they have limited time to prepare for the addition of a new family member into their home while also navigating the child foster care licensing process. Resources for respite care are sorely lacking, and restrictive licensure processes can leave families without support to take much needed breaks to sustain family mental health and well-being.

We believe that it is critical for the State of Minnesota to act on federal guidance to develop licensing or approval standards for all kinship foster family homes that is different from the licensing or approval standards used for non-kinship foster family homes, as provided by the Federal Register. Making licensing standards for kinship care more flexible and attainable will increase a child's ability to remain connected to their family and increase respite options. Our hope is that kin providers can identify close friends, family and community members connected to the child in their care who are willing and able to become licensed respite providers to increase their support system and reduce the risk of disruption or further system involvement.

We believe that by increasing access to mental health and respite care, we are uplifting families and children to know they are not alone and instilling a sense of community so that proper care can be provided. Thank you for your prioritization and support of HF 3495.

Sincerely,

Susannah Barnes

Susannah Barnes, LSW, CSW
Executive Director

Minnesota Association of Community Mental Health Programs

Representative Tina Liebling, Chair
Health Finance & Policy Committee
Minnesota House of Representatives
April 12, 2024

Chair Liebling and Committee Members

On behalf of the Minnesota Association of Community Mental Health Programs (MACMHP), I am sending this letter to support of House File 3495 – Comprehensive Solutions in Mental Health.

The Minnesota Association of Community Mental Health Programs (MACMHP) is the state's leading association for Community Mental Health Programs, representing 39 community-based mental health providers and agencies across the state. MACMHP's member agencies all provide a spectrum of mental health and substance use disorder services to our communities from within the same organizations.

Providing care in these models means agencies must comply with all the various mental health services' regulations of the state. We are working to build our programs to respond to as many needs of our clients and communities as we can. H.F. 3495 contains many proposals which allow community mental health clinics to keep moving toward an integrated, holistic model of care. This bill furthers efforts to streamline regulations that govern the services we provide together under one roof. These include:

- needed changes to our substance use disorder regulations and systems
- streamlining regulations - increasing access to our communities and clients by removing entry assessment barriers; supporting our staff by responding to today's lack of workforce capacity with flexibility in many critical services like assertive community treatment (ACT); supporting clinics' ability to comply with regulations by bringing consistency and standardization to them; removing unnecessary paperwork barriers
- making investments in respite programs
- stabilizing grant funding determinations and allocations
- building our children's mental health infrastructure
- helping our clinicians to work at the top of their licenses and focus on providing good care to clients and communities

We believe these policy and regulatory changes are necessary to sustaining our mental health and SUD services, AND we need state investments in our care system. Limited capacity, the workforce shortage and shrinking service access are all connected by the lack of sustainable investments in our mental health and SUD service delivery system. Solutions must also be comprehensive and address both the inpatient and community services up and downstream from them. Yes, Minnesota needs more hospital care capacity. And, we need to invest in community services to prevent situations we can from becoming so acute to need inpatient care as well as supporting capacity to discharge clients to when they are ready to move to less intense levels of care.

MACMHP thanks this Committee and rest of the legislature for the good work you have done over these several years in bringing our mental health regulations together and first steps in streamlining them. We are hopeful this bill is the next step in that good work to build a regulatory system that can respond with the changing needs of our industry and our communities.

Thank you for your leadership and support.

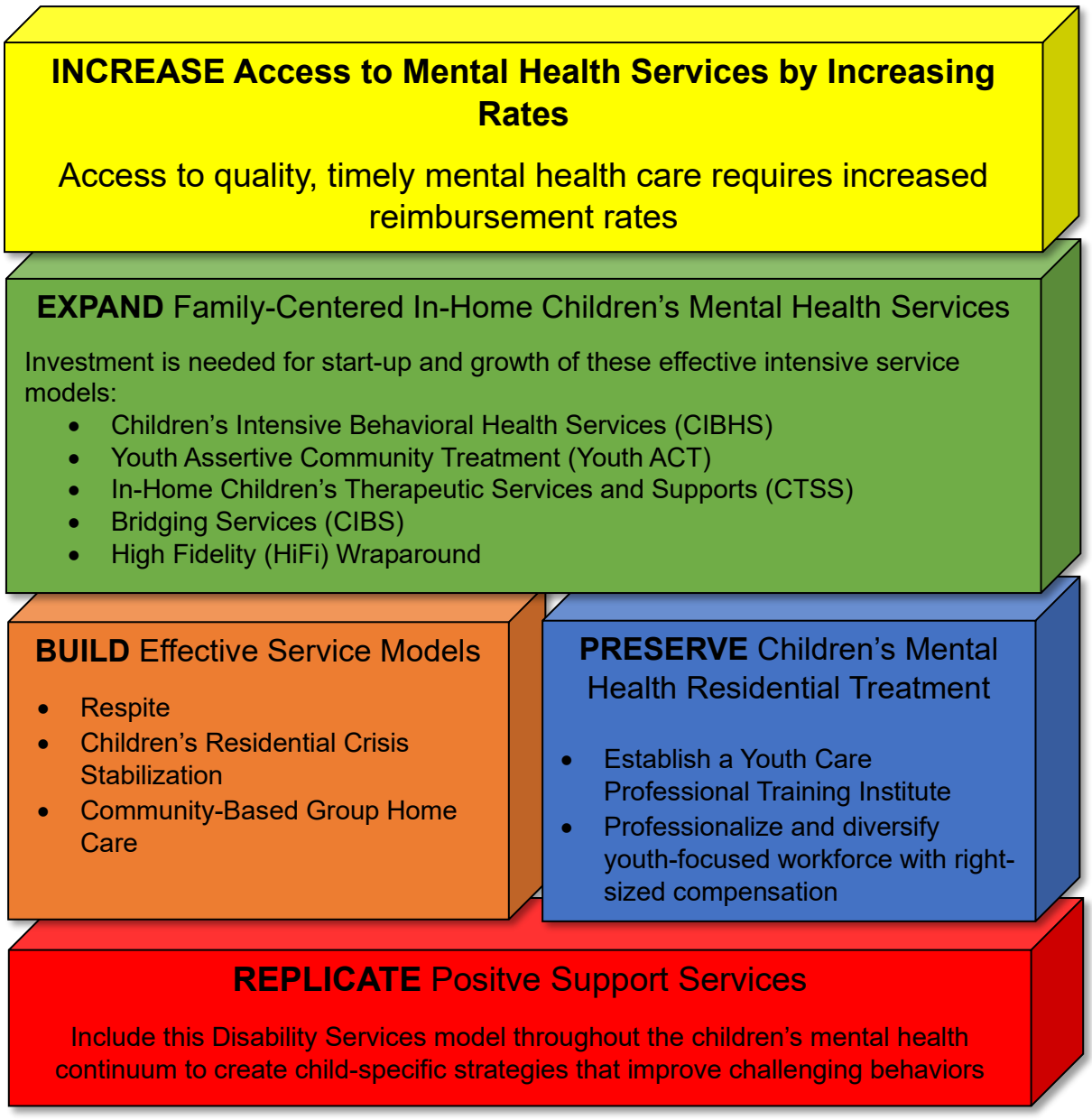
Jin Lee Palen

Jin Lee Palen, Executive Director

Building Blocks for Children's Mental Health

Children's mental health needs[1] are going unmet, due to a lack of mental health services. Children are waiting for months to access needed treatment and families are too often forced to rely on hospital emergency departments as their front door to care. This crisis is not new and it's getting worse. It is harming children and families, debilitating our emergency systems and needs immediate attention.

The solution is to build the mental health system children and families need to live their best lives. The following Building Blocks outline the investments and infrastructure required to solve the current crisis and provide treatment to our children.



[1] In this document, "mental health" is inclusive of behavioral health needs for children who may have a variety of presenting diagnoses.

Contacts:
Kirsten Anderson | AspireMN | 651-308-7765 c
Amanda Jansen | Children's Minnesota | 262-442-3628 c

Proposal 2024

Strategy – Building Block	Policies Supporting	Estimated Costs
Increase access to mental health care by increasing rates	Update rates structure to reflect rate study projections and recommendations relating to Medicaid inpatient & outpatient mental health services.	HF4981 (Her) Mental Health Rates proposal – fiscal note TBD
Expand Family-Centered In-Home Mental Health Services	Build teams statewide to implement intensive models that support families to care for children at home. One-time infrastructure investments to hire, train and launch teams statewide.	$10M in FY25
Build effective models	--Respite *Increase current respite grant with enhanced flexibility and Licensing/recruitment/enhanced funding* --Community-Based Group Care --MA Benefit for Children's Residential Crisis Stabilization	$4M in FY25 increase with additional flexibilities for distributing to families to the existing grant distributed to counties $1M in FY25 to recruit, license and compensate new respite family providers $2M in FY25 $204,000 in FY25
Preserve Children's MH Residential Treatment	--Youth Care Professional Training Institute Professionalize and diversity our youth-focused professionals	$1.5M in FY25 $950,000 in FY26 PLANNING for 2025 (not included in bill)
Replicate Positive Support Services	Using this disability services model, to integrate child-specific strategies to address challenging behaviors	PLANNING for 2025 (not included in bill)

Sustain what works:

- Mobile Transition Grants $2.5M in FY25
- School-Linked Behavioral Health $2.5M in FY26 and $2.5M in FY27

Contacts:
Kirsten Anderson | AspireMN | 651-308-7765 c
Amanda Jansen | Children's Minnesota | 262-442-3628 c

Fairview

April 12, 2024

House Health Finance and Policy Committee

Dear Chair Liebling and Committee Members:

On behalf of Fairview Health Services ("Fairview"), we are writing in support of HF3495 and the provisions of that bill which were included in HF4981 to increase the Medicaid payment rates for inpatient and outpatient mental health services. This is a critical step to helping improve access to mental health services across Minnesota.

In recent years, Fairview has taken bold steps toward innovative solutions to delivering mental health services. We were first adopters of the EmPATH (Emergency Psychiatric Assessment, Treatment and Healing) model in Minnesota and have paved the way for other hospitals in the state and across the country to look to this model to increase access to mental health care. We are also working towards opening the state's newest purpose-built inpatient mental health hospital in partnership with Acadia health. Unfortunately, innovations like these are not sustainable nor replicable long-term at the current reimbursement rates for mental health.

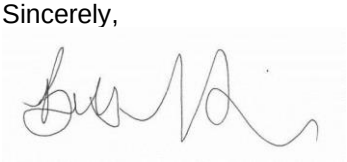
Medicaid rates for mental health services – inpatient and outpatient – are paid well below the cost of providing care. Financial challenges are particularly pronounced in the inpatient settings with patient's length of stays increasing and hospitals inability to place many civilly committed patients in the state's direct care and treatment facilities. Low reimbursement rates discourage investments in and expansions on inpatient mental health services, even threatening existing capacity.

These challenges also show up directly in our emergency departments. The lack of access to outpatient mental and behavioral health services means emergency departments have become de facto holding spaces for mental health patients, straining emergency health care resources and creating an unsuitable environment for individuals in crisis who may require specialized care and a calm setting. Delayed admission to inpatient facilities or discharge to community settings often leads to the deterioration of mental health conditions, making the eventual treatment more challenging and potentially less effective. Without a significant investment in our mental health reimbursement rates, individuals in crisis will be unable to access timely and appropriate treatment. This shortage is particularly acute in rural areas, where mental health services are already limited.

Finally, the impact of low reimbursement rates contributes to health inequities, disproportionately affecting vulnerable populations who rely on public insurance programs with lower payment rates. Individuals with lower socioeconomic status may face additional barriers to accessing quality mental health care, perpetuating disparities in mental health outcomes.

On behalf of all the patients who entrust our providers with their care, we again ask for your support to make significant investments in mental health through increased Medicaid payment rates in the current legislative session.

Sincerely,



Beth Heinz, MHA, MSW
Fairview Health Services, Executive, Women and Children's and Mental Health and Addiction Service Lines

April 12, 2024

Chair Liebling and Committee Members
House Health Finance and Policy Committee
477 State Office Building
St. Paul, MN 55155

RE: Hospital boarding and discharge delays - proposed solutions

Thank you for your continued dedication to addressing boarding and discharge delays in Minnesota hospitals. The scenes that are playing out at health systems across the state are some of the most challenging situations our teams have faced in their careers. Patients are stuck in hospitals waiting for transfers to nursing homes, rehabilitation units, mental health treatment facilities, and other sub-acute care facilities, including state operated services.

In 2023, patients across the state spent nearly 195,000 avoidable days in hospitals, waiting for the right level of care to become available. This included almost 12,000 days of unnecessary stays for children alone. In most cases, these children don't have an emergent medical or psychiatric condition requiring hospitalization; they need long-term, stable support through community-based and residential services. For many, their mental health gets worse while they are stuck in the hospital. In short, patients across Minnesota are getting the wrong care in the wrong place, and often for too long a time. And, unfortunately, the problem isn't getting better, it is getting worse.

This patient gridlock not only reduces overall capacity for hospital care, it also cost Minnesota hospitals and health systems an estimated $487 million in unpaid care. A refreshed version of HF4106 (Carroll) / SF2885 (Morrison) would give hospitals some short-term financial relief, and we cannot wait any longer to systematically address this problem. Actions the legislature and state agencies can take include the following:

Legislative Proposals:

- Discharge policy bill (SF3989 Hoffman / HF4106 Noor) - Improves processes for MnCHOICES Assessments, SMRT Assessments and Medical Assistance eligibility determinations; establishes supplemental payment rate while counties and community providers determine long-term exception rate for an individual
- Medicaid Mental Health Reimbursement Rate increases (HF4981 Her / SF5084 Wiklund) - Increases outpatient and inpatient reimbursement rates for mental health and substance use disorder services, building on the 2024 DHS Outpatient Services Rate Study

- Youth care transition program (HF3495 Fischer / SF4664 Mann) - Ensures sustained funding for the youth care transition program which supports youth with complex needs who need to transition from hospital and residential settings to a more appropriate level of services.
- Respite grants (HF3495 Fischer / SF4664 Mann) - Increases current county grant funding for respite care and invest resources in recruiting, licensing and compensating new respite family providers
- Emergency Medical Assistance (SF4024 Mann / HF3643 Noor) - Allows more flexibility in what Emergency Medical Assistance (EMA) will pay for, these bills broaden the settings available to a patient who qualifies for EMA by permitting certain services to be covered under EMA.
- Legislative recommendations from the Priority Admissions Task Force (HF4366 Edelson / SF4460 Mann) which includes expanded capacity at and access to Direct Care and Treatment facilities. These recommendations include an exception for 10 civilly committed individuals waiting in a hospital to be added to the admissions waitlist – this exception is a critical pressure release for hospitals who have been housing individuals in need of forensic or other intensive care in a state operated service, some for multiple years.

Administrative Actions:

- Determine a different way to prioritize complex patients for placement outside of the hospital including:
    - Prioritizing and expediting funding for in home and out of home placement, including MnCHOICES assessments, MA eligibility, and waivered services for kids in hospitals.
    - Ensuring counties prioritize the establishment and responsiveness of guardians, rate negotiations with group homes and the placement process for patients in acute care or hospital settings.
    - Prioritizing workforce crisis solutions to increase crisis and group home capacity.
- Strengthen enforcement of licensing standards to ensure group homes and other facilities cannot use "temporary suspension" of services as a mechanism to leave clients at hospitals and then refuse to take them back.
- Staff Willmar Child and Adolescent Behavioral Hospital to full capacity and accept "lateral" admissions.
- Counties all have a different "front door" to start the process of partnering to find patients an appropriate placement, and this information is challenging to find. Create one resource with this information to make navigating and outreach more streamlined for hospitals.

This is not a problem that any one part of the system can solve by itself. State agencies, counties, community providers, families and health systems all need to be responsible for their individual parts and work together to meet the needs patients, getting them the right level of care at the right time. The crisis of patients being stuck in hospitals needs immediate action.

Children's MINNESOTA

The Kid Experts™

April 12, 2024
House Health Finance and Policy Committee

Chair Liebling and Committee Members:

On behalf of Children's Minnesota, we are writing in support of HF3495 which provides solutions that are foundational to addressing the mental health crisis facing Minnesota children, most notably, increasing Medicaid reimbursement rates for inpatient and outpatient mental health services.

Children's Minnesota is the largest pediatric health system in the state serving more than 160,000 kids annually. We provide a continuum of mental health services including primary care, integrated behavioral health, outpatient and partial hospitalization services, crisis stabilization and acute inpatient care.

Despite recent efforts to expand the services we provide, there are still not enough mental health services in Minnesota to meet the current need. Children are waiting for months to access care, too often utilizing the emergency department as a last resort. In 2018 about 1,700 visits to Children's Minnesota emergency departments were for a mental health concern. In 2022 that number increased to 2,500 and in 2023 that number increased even more to 3,300. And, in 2023, over 250 kids collectively spent more than 1,600 days stuck at Children's Minnesota because the appropriate treatment setting was not available to them.

Nearly half of our patients receiving mental health services rely on Medicaid and currently Medicaid rates for mental health services are paid well below the cost of providing care. Across all our outpatient and inpatient mental health services we are reimbursed for less than half of our costs and, because costs continue to rise, that level of reimbursement is getting worse The current rates are unsustainable, and on average we operate these vital services at a loss, severely limiting our ability to recruit and retain the staff needed to meet the growing needs of our patients and their families. In addition to increasing rates, investments in respite grants for families and mobile transition units will continue to be critical to supporting youth awaiting services and placement.

Children and families cannot spend another year waiting for a solution to the mental health crisis they are experiencing. Please support HF3495.

Sincerely,

Pamela Gigi Chawla, MD, MHA
Vice President, Chief of General Pediatrics
Children's Minnesota

Joel Spalding, MD
Acute Mental Health Medical Director
Children's Minnesota

Patricia Vitale
System Director Mental Health
Children's Minnesota

NORTH HOMES
Children and Family Services

(218) 751-0282
www.northhomes.org
4225 Technology Drive NW, Bemidji, MN 55744

Representative Tina Liebling, Chair
Health Finance & Policy Committee
Minnesota House of Representatives
April 11, 2024

Dear Chair Liebling and Committee Members,

On behalf of North Homes, Inc., I am sending this letter to support House File 3495 - Comprehensive Solutions in Mental Health.

North Homes, Inc., d.b.a. North Homes Children and Family Services, is a 501(c)(3) organization that provides a full continuum of behavioral health services to children, adults, and families in Northern MN (Beltrami, Clearwater, Hubbard, Cass, Koochiching, Itasca, Carlton, and St. Louis counties; Red Lake, Leech Lake, and White Earth tribal reservations). Our continuum includes outpatient mental health and substance use treatment services, rehabilitative mental health services, residential treatment for children, child foster care and adoption services, and other community-based programs. We serve over 3,000 unique clients annually; many clients receive more than one service, resulting in over 6,000 total clients served across all our programs.

We are working to build our programs to respond to as many needs of our clients and communities as we can. We believe the policy and regulatory changes in HF 3495 are necessary to sustain our mental health and SUD services, AND we need state investments in our care system. Limited capacity, the workforce shortage and shrinking service access are all connected by the lack of sustainable investments in our mental health and SUD service delivery system. Solutions must also be comprehensive and address both the inpatient and community services up and downstream from them. Yes, Minnesota needs more hospital care capacity. And, we need to invest in community services to prevent situations from becoming so acute to need inpatient care as well as supporting capacity to discharge clients to when they are ready to move to less intense levels of care.

H.F. 3495 contains many proposals which allow community mental health clinics to keep moving toward an integrated, holistic model of care. This bill furthers efforts to streamline regulations that govern the services we provide together under one roof. These include:

- needed changes to our substance use disorder regulations and systems
- streamlining regulations - increasing access to our communities and clients by removing entry assessment barriers; supporting our staff by responding to today's lack of workforce capacity with flexibility in many critical services like assertive community treatment (ACT); supporting clinics' ability to comply with regulations by bringing consistency and standardization to them; removing unnecessary paperwork barriers
- making investments in respite programs
- stabilizing grant funding determinations and allocations
- building our children's mental health infrastructure
- helping our clinicians to work at the top of their licenses and focus on providing good care to clients and communities

In this current workforce crisis and sparsely invested mental health and SUD environment, community mental health and SUD programs are striving to bring services together under consistent standards with adequate

investments. This all adds to the struggle to keep access to quality mental health and SUD care available for our communities.

We thank this Committee and the rest of the legislature for the good work you have done over these several years in bringing our mental health regulations together and first steps in streamlining them. We are hopeful this bill is the next step in that good work to build a regulatory system that can respond to the changing needs of our industry and our communities.

Thank you for your leadership and support.

Sincerely,

Heidi Seaton, MA
Quality Assurance Director

Solving the children's mental health crisis begins with

2024 investment in mental health rates

access

Children and families lack access to mental health care — because Medicaid pays for the majority of our children's mental health services, and there is a 40% gap between the cost of delivering care and Medicaid reimbursement rates. This is unsustainable.

Access to care is decreasing, with waiting lists averaging statewide at:

14 WEEKS	16 DAYS	5 WEEKS
Outpatient treatment	Day treatment	School-based services

3 WEEKS	10 WEEKS
Residential treatment, depending on client needs	Children's therapeutic services and supports

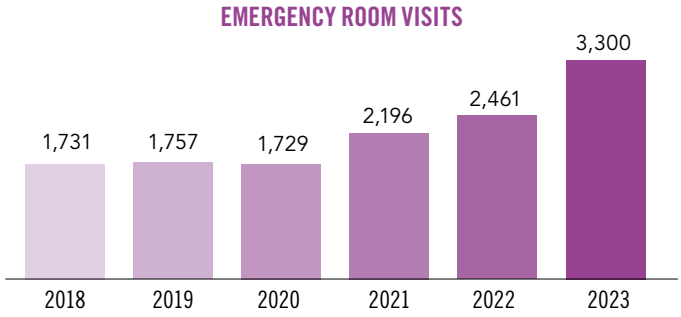
Children are experiencing preventable mental health crises — while waiting for care, symptoms get worse and families are thrown into crisis trying to help their children.

capacity

Capacity is shrinking: Mental health providers recently reported shrinking current services, closing services or considering closing services in 2024. All due to inadequate rates.

66%	38%	22%
Shrinking current services	Closing services altogether	Considering closing services

Children are boarding in hospitals, juvenile detention and with counties — being held for their safety and without the treatment they need and deserve. Since 2018, Children's Minnesota has seen an almost 100% increase in emergency room visits for mental health needs.



staffing

Staffing crisis: Salaries are dramatically increasing and reimbursement rates have stayed flat. This makes staff recruitment, retention, training and support impossible.

Since 2018, salaries have increased by:

↑32%	↑27%	↑51%	↑46%	↑62%
Licensed psychologist (doctoral)	Licensed mental health professional	Mental health practitioner	Rehabilitation worker	Psychiatrist

The solution is fixing mental health rates —

- For timely access and early intervention services.
- To provide healing treatment.
- For success in school and community life.
- To prevent today's reliance on crisis care in hospitals, juvenile detention and other emergency services.

The DHS 2024 Outpatient Services Rate Study provides a framework for the Medicaid mental health rate structure that is needed now and into the future.

Children and families cannot wait another year for a solution — rate increases are crucial to sustaining what we have and preventing further loss in access to care.

The proposed legislation does the following:

- **Section 1. Increase SUD residential rates.**
- Sections 2 and 7. Increase inpatient mental health rates.
- **Section 3. Streamline and increase the Behavioral Health Home rate.**
- **Sections 4 and 5. Set RBRVS rates equal to 100% Medicare Physician Fee Schedule** with 10% bonuses for services in professional shortage and medically underserved areas.
- **Section 6. Increase HCPCS rates and benchmark using market-based costs.**
- Section 8. Eliminate current 20% rate cut for services provided by master-level educated providers.

The bolded proposals are aligned with the DHS Rates Study. Unbolded are additional proposals from mental health providers.

Terms:

- RBRVS – Resource-Based Relative Value Scale. Codes for community-based physical and mental health services including outpatient services such as psychotherapy. These services are also reimbursed under Medicare.
- HCPCS – Healthcare Common Procedure Coding System. HCPCS codes are for Minnesota developed services like in-home family supports such as Children's Therapeutic Support Services. These rates do not have a Medicare comparison.
- Behavioral Health Home – A MA service that coordinates care and addresses social determinants of health risk factors alongside mental and physical health symptoms.

Media coverage:

- Kids are suffering, and we're not doing enough to help (Minnesota Reformer)
- Minnesota addiction treatment centers closing, despite high demand (startribune.com)
- Mental health, and caregivers, are in crisis (startribune.com)
- Study proposes reimbursement rate fix for Minnesota's broken mental health system (startribune.com)
- Patient Discharge Delays Cost Minnesota Hospitals Nearly Half a Billion Dollars in 2023 (mnhospitals.org)

Contacts:
Kirsten Anderson, AspireMN, 651-308-7765
Jin Lee Palen, MACMHP, 651-233-3502
Amanda Jansen, Children's Minnesota, 262-442-3628

WOODLAND CENTERS
Providing Hope, Inspiring Change

April 12, 2024

REPRESENTATIVE TINA LIEBLING, CHAIR
HEALTH FINANCE & POLICY COMMITTEE
MINNESOTA HOUSE OF REPRESENTATIVES

Dear Chair Liebling and Committee Members,

On behalf of Woodland Centers, I am sending this letter to support **House File 3495 – Comprehensive Solutions in Mental Health.**

Woodland Centers is a private non-profit 501(c)(3) CCBHC in rural Minnesota that was established in 1958. We serve seven rural counties in the west central region of Minnesota – Chippewa, Big Stone, Kandiyohi, Lac Qui Parle, Meeker, Renville, and Swift. We offer a wide range of services including ACT, Behavioral Health Home, therapy, psychiatry, Adult Rehabilitative Mental Health Services, Children's Therapeutic Services and Supports (CTSS), Mobile Crisis, Residential Crisis for youth and adults, Supportive Housing, Outpatient Substance Use Disorder Treatment for adolescents and adults, and Day Treatment for youth, adolescents and adults, to name a few.

Woodland Centers catchment area encompasses approximately 5000 square miles with a population of approximately 114,000. Woodland Centers served 5324 unduplicated individuals in 2023 ranging in age from 2-89. Thirty-two percent (32%) of clients served are ages 17 or under. We also serve diverse populations with 16% of all clients being Hispanic, 3% Black and 2% Native American. Approximately 75% of the clients served at Woodland Centers are enrolled in Minnesota Health Care Programs and another 13% are enrolled in Medicare.

Approximately 90% of our clients are eligible for sliding fee scale reductions and around 85% of these individuals are provided a 100% sliding fee scale reduction.

Woodland Centers and providers across the state are working to build our programs to respond to as many needs of our clients and communities as we can. We believe the policy and regulatory changes in HF 3495 are necessary to sustaining our mental health and SUD services, AND we need state investments in our care system. Limited capacity, the workforce shortage and shrinking service access are all connected by the lack of sustainable investments in our mental health and SUD service delivery system. Solutions must also be comprehensive and address both the inpatient and community services up and downstream from them. Yes, Minnesota needs more hospital care capacity. And, we need to invest in community services to prevent situations we can from becoming so acute to need inpatient care as well as supporting capacity to discharge clients to when they are ready to move to less intense levels of care.

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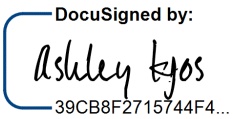
In this current workforce crisis and sparsely invested mental health and SUD environment, community mental health and SUD programs are striving to bring services together under

consistent standards with adequate investments. This all adds to the struggle to keep access to quality mental health and SUD care available for our communities.

Woodland Centers and MACMHP thanks this Committee and rest of the legislature for the good work you have done over these several years in bringing our mental health regulations together and first steps in streamlining them. We are hopeful this bill is the next step in that good work to build a regulatory system that can respond with the changing needs of our industry and our communities.

Thank you for your leadership and support.



Ashley Kjos, Psy.D., L.P.

Chief Executive Officer

Woodland Centers

NAMI
National Alliance on Mental Illness
MINNESOTA

1919 University Ave. W, Ste. 400, St. Paul, MN 55104 | 651-645-2948 | namimn.org

April 10, 2024

Members of the House Health Finance and Policy Committee:

On behalf of NAMI Minnesota, we are writing to urge passage of HF 3495 to continue expanding access to mental health care and treatment in our state. The provisions in the bill will help to give children and families increased access to respite care, as well as to grow the mental health workforce, and streamline procedures to help providers best serve people with mental illnesses.

It is well known that improving children's mental health means improving entire families' mental health. Respite care is an essential resource for parents and guardians who work tirelessly to care for their children with mental illnesses. In fact, giving caretakers a break is an active way to prevent children from experiencing crisis. When parents and guardians are more resourced, they can respond better to their children. This bill not only grows capacity for licensed respite care, but it also contains important language to ensure consistency. Just like children thrive on routines, caretakers need to know that they can take breaks regularly to find a rhythm of caring and resting that is more sustainable.

This bill also includes the creation of a mental health workforce center and other workforce provisions. Building capacity for services is only effective if we have people to provide them. Increasing access to supervision for mental health practitioners and clinical trainees is critical to build a diverse and robust workforce, especially in rural areas of the state.

We are grateful to the committee for hearing this bill and we urge you to support HF 3495.

Sincerely,

Sue Abderholden, MPH
Executive Director

Elliot Butay
Senior Policy Coordinator

CATHOLIC CHARITIES
Twin Cities

Catholic Charities at Elliot Park
1007 East 14th Street, Minneapolis, MN 55404
612-204-8500 | cctwincities.org

April 11, 2024

Representative Tina Liebling
Chair, House Health Finance & Policy Committee

Re: Support for Comprehensive Solutions to Mental Health Act (H3495)

Chair Liebling and Members of the Committee:

On behalf of Catholic Charities Twin Cities, I write to offer our support for HF3495, the Comprehensive Solutions to Mental Health Act, and to thank Representative Fischer for championing this issue.

Catholic Charites is a leader of housing, emergency shelter, and direct services, serving more than 25,000 youth and adults annually. These services include our children's day treatment program, which operates in partnership with Minneapolis Public Schools to provide voluntary, year-round therapeutic services to grades K-8 students who have mental health needs or behavioral challenges that hinder academic progress.

Through a trauma-informed lens, children in day treatment receive skills development, individual and group therapy, and family education to build healthy relationships and learn new ways of managing difficult feelings and situations. With treatment and academics combined and co-located in a school setting, children receive care without leaving their community, reducing demands on more expensive hospital visits.

The need for community-based mental health care like this is increasing—from 2022–2023, Catholic Charities experienced a nearly 20% increase in demand for day treatment services—and, unfortunately, so are the challenges providers face to maintaining it.

Provisions included in HF3495 provide important policy updates and clarifications for providers working to support children's mental health, including:

- Updating Uniform Service Standards,
- Defining clinical trainee to include someone who has completed their graduate program,
- Clarifying CTSS services can be initiated for a child under a crisis assessment, and
- Allowing CTSS providers to bill for services to family/ITP during day treatment sessions.

Medicaid mental health rates for this community-based care have also been stagnant for years. We ask you to prioritize solutions to outpatient rates so that we can better provide the early intervention needed to ensure more children receive the support and skills they need to thrive in school and their communities.

With meaningful policy reforms and payment rates that reimburse for the true cost of care, we can ensure children receive the right care, at the right time, and in the right place. We ask for your support.

Sincerely,

Keith Kozerski
Chief Program Officer

St. David's Center
Child & Family Development

Phone: 952.939.0396
Fax: 952.939.9266
stdavidscenter.org

Greetings Madame Chair Liebling and Members of the Health Finance and Policy Committee,

My name is Julie Sjordal. I write to you today as the CEO of St. David's Center for Child & Family Development, a Twin Cities-based nonprofit organization offering a range of mental health services, therapies, and social services to almost five-thousand children and families at our two early intervention centers, more than thirty partner sites, and in hundreds of family homes. Currently, we are poised to expand our services to benefit ten-thousand children and families in the Twin Cities and Stearns County as we will open two new sites in downtown Minneapolis and in St. Cloud in the coming eighteen to twenty-four months. In my thirty-five years with St. David's Center, this moment stands apart in terms of the severity of the crisis I see in children's mental healthcare in the state of Minnesota.

To meet the deep, increasing need of the thousands of children and families that St. David's Center serves every day, I write to ask you to support several key Policy Provisions included in HF3495. These provisions are essential for organizations like ours to be able to continue to act as the safety net for those children who have experienced deep trauma and have been rejected from other settings like schools and daycares that are simply not equipped to support them. For these at-risk, high-needs children, we offer a continuum of interventions, including speech and occupational therapy, day treatment, and other pediatric mental health services. These comprehensive interventions, provided by highly-trained and skilled staff, are essential in preventing children from being hospitalized – a further strain to the healthcare system – or from experiencing other long-term negative outcomes like school absenteeism and dropouts, job insecurity, homelessness, and incarceration.

What we are seeing at St. David's Center is a crisis-level rise in need. This includes an increase in the numbers of children and families relying on Medical Assistance seeking services – indeed, today our waiting list is almost two-thousand children long. It also includes the acuity of the cases we treat, with complex and myriad factors including poverty, substance abuse, domestic violence, and more converging on the lives and minds of

the children coming through our doors. I wish you could hear the desperate calls that come into our intake line from parents, grandparents, foster families that are perplexed and in need of hope and support.

And today, we are doing this work under the weight of the Medicaid system's broken payment structure, which has gone without meaningful rate increases for the last *ten years.* As a nonprofit organization, we absorb the costs to serve our mission, and thereby, the most vulnerable among us, while we compete to attract and retain staff with private practice clinics – clinics that exclusively serve those patient populations with higher-paying private insurance, and do not serve populations that are reliant on Medicaid for their healthcare needs. As a result, we operate in a precarious position, with a constant awareness of the fine line between our ability to provide the care so many children need, and the potential that the financial obstacles we confront as we do so will prove insurmountable.

Although we are unwavering in our commitment to serve children and families in crisis, we are buckling under a rate structure that has not kept pace with cost of providing services. What's more, we will continue to struggle to retain the kind of high-quality staff needed if we cannot pay adequately because of the inadequate Medicaid reimbursement rates of 60% - 70% of the cost of providing care.

Several provisions in HF3495 go farthest in addressing the intersection of growing and acute mental healthcare needs and the inadequate distribution of Medicaid funding currently available. These provisions include:

- Define clinical trainee to include someone who has completed their graduate program and is not yet licensed
- Allow CTSS day treatment providers to bill for services to family/ITP during day treatment sessions
- Direct DHS/MMB to coordinate on the grants that should be shifted to formula-based instead of competitive funding schedules (NAMI proposal)

Madame Chair, by ensuring fair and adequate Medicaid reimbursement for providing mental health care during the 2024 legislative session, you and your fellow lawmakers will also ensure that essential mental healthcare services remain available to those children in the greatest need. That is, by authorizing a meaningful increase in Medicaid reimburse

ment rates, you will equip organizations like St. David's Center to compensate and retain a skilled workforce, continue operations, and provide the high-quality mental healthcare that all Minnesotans deserve, especially Minnesota's children.

Thank you for considering making this crucial decision to ensure children's access to mental healthcare.

Kind Regards,

Representative Tina Liebling, Chair
Health Finance & Policy Committee
Minnesota House of Representatives
April 12, 2024

Dear Chair Liebling and Committee Members:

On behalf of Washburn Center for Children, I am writing to support of HF3495 – Comprehensive Solutions in Mental Health.

As you hold the committee meeting and consider HF 3495 this Friday, we urge that you consider where children in our state are today. Our team at Washburn Center for Children witnesses every day that **kids in your communities** are living in and through a massive mental health crisis.

Worse yet: There's no indication we've seen the peak. This is an unimaginable crisis gripping children and teens.

Since I wrote to your colleagues on the Human Services Policy Committee in January: ***our waitlist has exploded by 30%. That's just 3 months.*** While surging demand keeps exceeding our capacity, we know every child we reach makes a difference.

Their mental health is our mission: to nurture every child and family's well-being and full potential through transformative children's mental health care.

The care kids receive at Washburn Center is a safety-net. Community-based mental health care is for all kids and families who need us, period. We offer services in schools, homes and clinics, regardless of the client's ability to pay; 50% of those we serve are covered through some form of medical assistance.

Every kid we serve — nearly 4,000 last year — is navigating mental health challenges that outpace what we imagined for this generation—any generation. More than 50% of the kids and families we serve identify as BIPOC.

We are working to build our programs to respond to as many needs of our clients and communities as we can. Yet, it's not just at Washburn Center, there's not one area of the sector that is prepared to match the demand.

We believe the policy and regulatory changes in HF 3495 are necessary to sustain our mental health and SUD services. We need state investments in our care system. **The workforce and systemic issues are significant barriers to reaching more kids and families.**

Limited capacity, the workforce shortage and shrinking service access are all connected by the lack of sustainable investments in our mental health and SUD service delivery system. Solutions must also be comprehensive and address both the inpatient and community services up and downstream from them. Yes, Minnesota needs more hospital care capacity, **and** we need to invest in community services.

That investment will prevent situations from becoming so acute to need inpatient care as well as supporting capacity to discharge clients to when they are ready to move to less intense levels of care. This is the critical work that Washburn Center's multidisciplinary staff provides across a continuum of care for children's mental health from crisis levels through outpatient.

Washburn Center for Children supports H.F. 3495 and Its proposals which allow community mental health clinics to keep moving toward an integrated, holistic model of care. This bill furthers efforts to streamline regulations that govern the services we provide together under one roof. These include:

- needed changes to our substance use disorder regulations and systems.
- streamlining regulations - increasing access to our communities and clients by removing entry assessment barriers; supporting our staff by responding to today's lack of workforce capacity with flexibility in many critical services like assertive community treatment (ACT); supporting clinics' ability to comply with regulations by bringing consistency and standardization to them; removing unnecessary paperwork barriers.
- making investments in respite programs.
- stabilizing grant funding determinations and allocations.
- building our children's mental health infrastructure.
- helping our clinicians to work at the top of their licenses and focus on providing good care to clients and communities.

In this current workforce crisis and sparsely invested mental health and SUD environment, community mental health and SUD programs are striving to bring services together under consistent standards with adequate investments. This all adds to the struggle to keep access to quality mental health and SUD care available for our communities.

We thank this Committee and the entire legislature for your work over these several years in bringing our mental health regulations together and the first steps in streamlining them. We are hopeful this bill is the next step in that essential work to build a behavioral health system that can respond to the changing needs of our communities.

Thank you for your leadership and support.

Regards,

Craig F. Warren
Chief Executive Officer
Washburn Center for Children

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04/11/2024

Re: Lighthouse Child and Family Services Inc. Support HF3495

Dear Chair Liebling and Members of the Health Finance and Policy Committee,

I am the Clinical Director at Lighthouse Child and Family Services, Inc (LCFS) and am writing in support of HF3495 Comprehensive Solutions to Mental Health Act. LCFS is a mental health clinic in East Central MN providing CTSS, School Linked, Outpatient and Day Treatment services in East Central Minnesota. Key policy provisions in this bill that would directly impact our work and continue to build a mental health system of care which reflects the needs of our clients are listed below:

- Updating Uniform Service Standards to eliminate required use of CASII and ECSII
- Defining clinical trainee to include someone who has completed their graduate program and is not yet licensed
- Allowing children in CTSS day treatment settings to self-administer medication if allowed to do so by prescriber
- Increases flexibility for respite grants for families, and provide scalable increased funding
- Clarifies CTSS services can be initiated for a child under a crisis assessment, hospital history and presentation or a brief diagnostic assessment, and, aligns language with Uniform Service Standards that DAs should be administered when required by the client instead of an annual administration of a DA
- Allows CTSS day treatment providers to bill for services to family/ITP during day treatment sessions

When we support children and families at the right place in the right time with the right level of care *everyone* does better. While these policy changes will continue to allow for flexibility and meeting the needs of families, the true solution to the mental health crisis in MN is to invest in Medicaid outpatient rates. Fixing the rates can interrupt the crisis cycle our mental health system is in. It is imperative that fixing the mental health rates be the highest priority for the 2024 session. With Medicaid outpatient community based mental health rates that reimburse for the cost of care, we can provide early intervention and prevention services that help children and families experience health, wellbeing, and hopeful futures.

Respectfully Submitted,

Goerger, MSW, LICSW

Jennifer Goerger, MSW, LICSW
Clinical Director
Lighthouse Child and Family Services, Inc

Driving Excellence in Addiction Care

To: Chair Liebling—House Health Finance and Policy Committee

From: Brian Zirbes, MARRCH Executive Director

Subject: Letter of Concern for HF3495

Date: April 11, 2024

Chair Liebling and committee members--

MARRCH is a statewide trade association for Substance Use Disorder (SUD) programs and professionals. We focus on providing education/training, advocacy, and public policy engagement for our members and the thousands of clients they serve annually. Our board and many of our committee chairs have had a chance to review the proposed language. They have also shared this language with their Alcohol and Drug counseling staff.

We are writing to express our complete opposition to the changes proposed in Article 4, Sections 6-13. The workforce amendment would permit mental health professionals to engage in alcohol and drug counseling under 245G.11 Staff Qualifications. This proposal came to us recently and we have been meeting with MACMHP to express our concerns of the unintended consequences this would bring to the specialty of Licensed Alcohol and Drug counselors. Across the industry, there have been very significant concerns by counselors, leaders, and more. We cannot afford to make decisions that have the potential to have significant downstream effects.

This issue has not been properly defined or studied to determine a solution that is best for the field and the clients that are served in 245G programs. We acknowledge the need to address workforce shortages. There is already an existing path SUD providers can achieve the same results utilizing a variance through DHS Licensing. We are speaking to address concerns of LADCs and ensuring that SUD services are delivered by licensed professionals who have received all the specialty education and training needed to provide these services effectively.

We ask that time be given in between sessions to review and work on a solution that will work for all.

Recent media coverage on needed investment in Medicaid mental health rates.

March 26, 2024
Letter to the editor: Medicaid rate increase much needed for mental health service providers By Annelies Hagemeister, mental health services provider in Faribault, Published Faribault Daily News
https://www.southernminn.com/faribault_daily_news/opinion/medicaid-rate-increase-much-needed-for-mental-health-service-providers/article_6fd4abf0-eb8e-11ee-897a-b37bd2a8eed1.html?utm_medium=social&utm_source=email&utm_campaign=user-share

March 20, 2024
Mental health crisis requires increase in Medicaid rates by Nexus Family Healing By Dr. Michelle K. Murray, CEO of Nexus Family Healing, and Shannon Amundson, Executive Director of Nexus-Mille Lacs Family Healing, Published Mille Lacs Messenger, Mille Lacs
https://www.messagemedia.co/millelacs/mental-health-crisis-requires-increase-in-medicaid-rates/article_7dbb958a-e60c-11ee-8701-5724f3681b59.html

March 19, 2024
Mental health care urgently needs financial support By Shannon Brown, Executive Director of Fernbrook Family Center, Published in Rochester Post Bulletin, Rochester
https://www.postbulletin.com/opinion/columns/shannon-brown-mental-health-care-urgently-needs-financial-support

March 15, 2024
Guest Commentary: Mental health crisis requires increase in Medicaid rates By Dr. Michelle K. Murray, CEO of Nexus Family Healing and Karen Wolf, Executive Director of Nexus-Gerard Family Healing, Published in Austin Daily Herald, Austin
https://www.austindailyherald.com/2024/03/guest-commentary-mental-health-crisis-requires-increase-in-medicaid-rates/

March 13, 2024
Opinion Exchange: Minnesota Legislators, address the mental health system. Don't make kids wait. By Margot Zarin-Pass, Aimee Snewajs and Audrey Minogue, Published in Star Tribune, Twin Cities
https://www.startribune.com/minnesota-legislators-address-the-mental-health-system-dont-make-kids-wait/600350874/

February 5, 2024
Why are kids of color in Minnesota spending days, weeks, and months in hospital emergency rooms that can't treat their problems? By Sheila Mulrooney Eldred, Published in Sahan Journal, Twin Cities
https://sahanjournal.com/health/minnesota-autism-mental-illness-hospital-boarding/#:~:text=Aimee%20Sznewajs%2C%20a%20system%20medical,with%20us%2C%E2%80%9D%20Sznewajs%20said.

February 4, 2024
A failure to meet mental health needs By the Editorial Board of the Mankato Free Press, Published in Star Tribune, Twin Cities
https://www.startribune.com/a-failure-to-meet-mental-health-needs/600340960/

February 3, 2024
Minnesota addiction treatment centers closing, despite high demand By Jessie Van Berkel, Published in Star Tribune, Twin Cities
https://www.startribune.com/minnesota-addiction-treatment-centers-closing-despite-high-demand/600340778/

February 2, 2024
Kids are suffering, and we're not doing enough to help By Craig Warren, Published in Minnesota Reformer
https://minnesotareformer.com/2024/02/02/kids-are-suffering-and-were-not-doing-enough-to-help/

January 31, 2024
PATIENT DISCHARGE DELAYS COST MINNESOTA HOSPITALS NEARLY HALF A BILLION DOLLARS IN 2023 By Rahul Koranne, Minnesota Hospital Association president and CEO, Published by Minnesota Hospital Association Newsroom, Saint Paul, Minn.
https://www.mnhospitals.org/newsroom/news/id/2692/patient-discharge-delays-cost-minnesota-hospitals-nearly-half-a-billion-dollars-in-2023

January 30, 2024
Mental health, and caregivers, are in crisis By Todd Archbold, CEO of PrairieCare, Published in Star Tribune
https://www.startribune.com/mental-health-and-caregivers-are-in-crisis/600339779/

January 24, 2024
Minnesota's mental health system is broken. A new state study proposes a financial fix. By Jessie Van Berkel Published in Star Tribune, Twin Cities
https://www.startribune.com/minnesotas-mental-health-system-is-broken-a-new-state-study-proposes-a-financial-fix/600338278/

November 15, 2023 - 6:38 PM
Dead phone lines and empty offices: Mental health providers are closing and Minnesota doesn't know By Kirsten Swanson and Ricky Campbell KSTP Published on KSTP
https://kstp.com/kstp-news/top-news/dead-phone-lines-and-empty-offices-mental-health-providers-are-closing-and-minnesota-doesnt-know/

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FARIBAULT Daily News
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March 26, 2024

Medicaid rate increase much needed for mental health service providers

Good news: Minnesota's budget forecast shows a huge surplus. As we think about how to allocate that, consider supporting an increase in rates for mental health services.

As a social worker for nearly 24 years, and a mental health provider in small communities for the past four years, I have witnessed the struggle of many who can't find the care they need. There hasn't been an increase in Medicaid rates for mental health services in a decade, during which time purchasing power has decreased by 25%.

Those who work with families that use Medicaid/MA for health services cannot afford to keep working in the few practices that accept it. Direct mental health providers (with advanced degrees, licensure fees, continuing training requirements and liability costs) are paid well below what you may think: around $30-45 per service hour. Many are leaving for private practice where they can set their own rates or subscription services.

But paying $300-600 a month for one person's therapy is simply not possible for many families.

A recent survey indicated about one-quarter of mental health services have closed altogether or are considering closing due to very low rates paid. In this same report, Children's Minnesota reported a nearly 100% increase in emergency room visits for mental health needs of children and youth since 2018.

These supply/demand issues are compounded in rural communities. According to a 2022 survey, approximately 7.7 million (23%) nonmetropolitan adults reported having some type of mental illness. In addition, 1.9 million (5.7%) of adults in nonmetropolitan areas reported having serious thoughts of suicide during the year.

One vital solution to address this is to increase Medicaid rates, which will help to ensure more providers are available to meet the demand where it's highest.

When people don't get services, symptoms often increase. This leads to loss of employment, higher cost hospitalization, turning to substances to ease the pain, or taking their own lives (note: suicide is at its highest rate in 80 years).

Contact your legislators to support this much needed increase. We all need to have access to mental health care and to be appropriately reimbursed when we provide it! We can do better, Minnesota!

Annelies Hagemeister - mental health services provider in Faribault

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Mille Lacs MESSENGER .com
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March 20, 2024

Mental health crisis requires increase in Medicaid rates by Nexus Family Healing – Dr. Michelle K. Murray, CEO of Nexus Family Healing, and Shannon Amundson, Executive Director of Nexus-Mille Lacs Family Healing

As a mental health provider, Nexus Family Healing and our local agency, Nexus-Mille Lacs, see first-hand, every day, how mental health struggles can impact youth, families, and our communities. We also see the difficulties families have in simply accessing care.

No one in Minnesota should struggle to find mental health services.

Like many issues we face, fixing the mental health crisis in our state can seem insurmountable, but we must try. One clear step forward is to increase our Medicaid rates for mental health services. This step is foundational to stabilizing and growing the care that is so greatly needed.

There is currently at least a 40% gap between the cost of delivering care and what Medicaid currently reimburses providers for that care – causing many providers to shut down much-needed services, and amplifying the shortage in care that already exists. Mental health service capacity is shrinking, with 66% of mental health providers decreasing their services due to inadequate rates, and another 38% closing services down completely.

The impact of rate issues on those needing help is long waiting lists and mental health crises that could have been prevented. Youth are being stranded in emergency rooms for weeks on end, with no place to go. Youth who need higher end services can find themselves involved in the juvenile justice system due to mental health needs that have not been addressed.

At Nexus Family Healing, we are determined to fill the gap in mental health services across Minnesota, but due to Medicaid rates we are often thwarted to create new, innovative programs that could help those in need in our local communities. Here in the Onamia area, we are proud of our longstanding residential services supporting youth with the tools they need to heal and move forward. While this service meets important needs, the current rate structure does not allow Nexus to fill the gap in services in our community.

We must reverse this trend, working together to build a strong mental health care system. Our legislators must act now, in 2024, to increase Medicaid rates. Our children, families, and community cannot afford to wait any longer for timely access and early intervention services.

Dr. Michelle K. Murray, CEO of Nexus Family Healing

and

Shannon Amundson, Executive Director, Nexus-Mille Lacs Family Healing

POST BULLETIN
POSTBULLETIN.COM
March 19, 2024
OPINION COLUMNS

Shannon Brown: Mental health care urgently needs financial support

Mental health capacity is shrinking because providers face a financial crisis. A recent survey indicated 38% of services have closed and 22% are considering closing due to inadequate reimbursement rates.

Two weeks ago, Minnesota's budget forecast was released and it was more optimistic than predicted, with a surplus of $3.7 billion. In response to this, I am urging Minnesotans to prioritize access to mental health care this legislative session. I understand the desire to save some of this money for future programming or needs, and I understand the worry about what happens if we don't have a surplus in future years. I also understand and am witnessing the urgent need to invest in our Medicaid rates for mental health services on a daily basis. As the CEO and mental health provider at a local mental health organization, I have seen the profound impact stagnant mental health rates have had on our system. I have been doing this work for more than 12 years and I have never experienced waiting lists completely closed, providers closing, and clients and caregivers begging for help to the level we are today. Imagine calling 10 to 15 local therapists and being told "no" by all of them while you are trying to find therapy for your child. It is truly a crisis, and I worry how much worse it will get if we don't invest in this system urgently. We have children boarding in hospitals waiting for mental health services. We have people struggling with homelessness and substance use while they wait to access mental health care. We have parents being forced to quit their jobs because their kids are suicidal, unsafe to leave home alone, assaulting other children in school or day care, and a myriad other concerns. As a community that values proactive and preventative health care, I encourage you to consider what that looks like as it relates to mental health services. Mental health capacity is shrinking because providers are closing or making the decision to no longer accept insurance so they can charge a higher rate and make a livable wage. A recent survey indicated 38% of services have closed altogether and an additional 22% are considering closing due to inadequate rates. In this same report, Children's Minnesota reported an almost 100% increase in emergency room visits for mental health needs since 2018. The clear solution to the capacity issue is to increase our Medicaid rates. This will stabilize and grow our capacity to provide mental health services and will save Minnesotans money in the long run. The more intensive the services, the more money it costs to provide them. By investing in a rate increase immediately, we are investing in a solution that will save us money, save lives, and improve the overall quality of life for our citizens.

Shannon Brown is chief executive officer of Fernbrook Family Center in Rochester.

Austin Daily Herald

Guest Commentary: Mental health crisis requires increase in Medicaid rates

Published 8:26 pm Friday, March 15, 2024 By Daily Herald

By Dr. Michelle K. Murray, CEO of Nexus Family Healing and Karen Wolf, Executive Director, Nexus-Gerard Family Healing

As a mental health provider, Nexus Family Healing and our local agency, Nexus-Gerard, see first-hand, every day, how mental health struggles can impact youth, families, and our communities. We also see the difficulties families have in simply accessing care.

No one in Minnesota should struggle to find mental health services.

Like many issues we face, fixing the mental health crisis in our state can seem insurmountable, but we must try. One clear step forward is to increase our Medicaid rates for mental health services. This step is foundational to stabilizing and growing the care that is so greatly needed.

There is currently at least a 40% gap between the cost of delivering care and what Medicaid currently reimburses providers for that care – causing many providers to shut down much-needed services, and amplifying the shortage in care that already exists. Mental health service capacity is shrinking, with 66% of mental health providers decreasing their services due to inadequate rates, and another 38% closing services down completely.

The impact of rate issues on those needing help is long waiting lists and mental health crises that could have been prevented. Youth are being stranded in emergency rooms for weeks on end, with no place to go. Youth who need higher end services can find themselves involved in the juvenile justice system due to mental health needs that have not been addressed.

At Nexus Family Healing, we are determined to fill the gap in mental health services across Minnesota, but due to Medicaid rates we are often thwarted to create new, innovative programs that could help those in need in our local communities. Here in the Austin area, we are proud of our longstanding residential services supporting youth with the tools they need to heal and move forward, and of our in-school and outpatient therapy services we provide youth and families in the community. While these meet important needs, the current rate structure does not allow Nexus to fill the gap in services in our community.

We must reverse this trend, working together to build a strong mental health care system. Our legislators must act now, in 2024, to increase Medicaid rates. Our children, families, and community cannot afford to wait any longer for timely access and early intervention services.

MARCH 13, 2024 — 11:34PM

OPINION EXCHANGE

Minnesota legislators, address the mental health system. Don't make kids wait.

A first step is increasing Medicaid reimbursement.

By Margot Zarin-Pass, Aimee Sznewajs and Audrey Minogue

When you train as a hospital-based pediatrician, you anticipate and are prepared to care for children with a massive array of diagnoses from the utterly common to the ultra-rare. What you don't expect are patients like Sarah, a child we have anonymized and combined from dozens of other patients.

Sarah is a healthy teenager with a grandparent who loves her and wants her at home. She does not need surgery or IV medications or help eating. Not a single nurse, doctor, social worker or therapist thinks she should be in the hospital. And Sarah doesn't want to be here, either.

The problem is that Sarah has severe mental illness. She had a rough childhood, passed between caregivers who were unable to adequately care for her. Her grandmother recently got custody and is getting to know her bright, sarcastic, inquisitive grandchild. Sarah really wants to go back to school, her favorite class is math, "even though the teacher is a total nerd."

But instead of school, Sarah is in the hospital. Her grandmother is very concerned for Sarah's mental health. When they went to the pediatrician, they were referred to therapists and psychiatrists with monthslong waiting lists. In the meantime, Sarah is still suffering. When she is stressed, she harms herself. She bangs her head against the wall or cuts her wrists. Because of her untreated mental illness, she sometimes lashes out at her grandmother. They came to the ER because her grandmother didn't feel safe keeping Sarah at home.

Sarah's problems are not easily fixed in a short emergency stay in the hospital. It took years for her to develop to this point and it will take time and consistency for her to get better. She can't access the outpatient or community resources she needs, and inpatient mental health units are meant to stabilize kids in acute crisis. We are frantically looking for a place where she can be safe and get appropriate mental health treatment.

But there is simply no place for her, so she waits. This young person is a victim of a society that is utterly failing her.

Sarah's life in the hospital is bleak. Our staff do their best to fill her days, but even with trips to the play area, walks around the unit, visits from therapy dogs and dance parties, Sarah has hours and hours of empty time in her day. Boredom, irritability and staff shift changes are all triggers for Sarah's self-harm. When Sarah tries to leave her hospital room, we direct her back. We try to avoid it, but sometimes we must use physical restraints so that she doesn't hurt herself or others.

Imagine a world that was built for Sarah. A society that understands the unseen challenges of mental health are as important to address as physical health. In this world, Sarah's grandmother could have immediately been connected to support. A therapist could come to their home regularly and work with Sarah to process her trauma. With the right access to the care the family needed early on, they may have been able to keep Sarah at home, rather than having nowhere to turn but the hospital.

Why are we so far from that world? Put simply, money. Medicaid only reimburses about 60%, on average, of the cost to deliver mental health services. Our current mental health providers are closing their doors or decreasing their services. Access to care is decreasing and wait lists are ever growing. And the staffing crisis is real. Current reimbursement levels make it impossible to recruit, retain, train and support staff.

The Minnesota Legislature has the power to change this, and to build the mental health system children and families need to live their best lives. Building that system begins with increasing Medicaid reimbursement rates for outpatient and inpatient mental health services.

As hospital pediatricians at Children's Minnesota, we have met so many kids like Sarah. We trained for years to be able to care for hospitalized children, but none of us have the power to bring to the hospital the social supports Sarah needs now and has needed her whole life.

We are calling for the Legislature to take this on with the same urgency we feel as we care for these kids day in and day out. Increasing Medicaid reimbursement is a simple first step we can take. My colleagues and I are working tirelessly to support patients and families, and we need the Legislature to support us by making these investments now. These kids deserve so much better.

Dr. Margot Zarin-Pass and Dr. Aimee Sznewajs are hospital-based pediatricians at Children's Minnesota. Audrey Minogue is a hospital-based pediatric nurse practitioner.

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sahanjournal

Why are kids of color in Minnesota spending days, weeks, and months in hospital emergency rooms that can't treat their problems?

Children with autism and mental illness find themselves "boarded"–even though doctors, families, and caregivers know it doesn't help. As one hospital service director says, "We are truly harming these children, and this is not OK."

by Sheila Mulrooney Eldred, February 5, 2024

Most of the time, 14-year-old Tyana lives peacefully with her aunt and legal guardian in an apartment on St. Paul's east side. She likes going to school and dancing in front of the mirror and watching Disney movies and YouTube videos. But her autism causes her to experience occasional outbursts—she may lash out at a caregiver in order to get what she wants.

One day about a year ago, in the company of an adult relative, Tyana felt distraught. Her aunt, Jacqueline Hunter, doesn't remember exactly what triggered that particular outburst—but she said Tyana often becomes upset if she doesn't get to go to McDonald's or Burger King or Dollar Tree.

In order to keep Tyana safe, Hunter sets alarms on her doors and windows to alert her if Tyana tries to leave. But on this day, the alarm wasn't set, and Tyana jumped from the second-floor apartment window. Tyana wasn't physically harmed, but Hunter was at a loss for how to keep Tyana safe. Hunter called Tyana's social worker.

"They told me to take her to the hospital," Hunter said.

Hospitals don’t offer the type of care Tyana requires: that is, staff trained in helping kids with autism; and safe spaces for bathing and exercise. But Tyana spent five days in the emergency room, nonetheless. And, with nowhere else to go, she’s been back to the emergency room about five times since that event.

One part of Hunter feels relieved when the ambulance shows up. She knows that Tyana will be physically safe in the emergency room, with someone guarding her to make sure she doesn’t run away. But Hunter also knows that the hospital is not equipped to take care of Tyana’s complex needs.

“You have no other choice,” she said.

Tyana’s experience in the hospital is known as “boarding.” The kids in these situations fall into two categories: those with developmental disorders, such as autism and attention deficit hyperactivity disorder (ADHD); and those with mental-health conditions, such as depression and anxiety. When parents or guardians call 911 in response to a child in crisis, an emergency department will admit the child. (It’s a federal law.) But most hospitals do not have the resources or expertise to care for these patients.

Dr. Mary Beth Lardizabal sees this play out in her role as a child/adolescent psychiatrist at Allina, where she is also vice president of mental health and addiction.

“Boarding is kind of a loose term,” she said, “but in this context, it refers to when patients who don’t require or meet the criteria for acute mental health end up staying in the emergency room because there’s nowhere else to go.”

When kids are boarded, as Tyana was, they’re kept wherever the hospital can find space: in a windowless exam room meant for short-term stays; in a hallway; in a room on the pediatric medical floor; etc. They will receive 24/7 supervision for their physical safety–and perhaps no other treatment.

The number of children and adolescents boarding in Minnesota hospitals has climbed steadily over the past several years and shows no signs of slowing. In 2023, over 1,000 kids in the Twin Cities boarded in emergency rooms operated by the major health systems: Allina, Children’s, Fairview, and Hennepin Healthcare.

Experts say a disproportionate number of these kids are in the foster-care system or county custody, and a disproportionate number are Native American or Black.

Hospitals call it a crisis. The impact goes beyond the kids who are languishing in tiny rooms and hallways, not receiving appropriate care. Hospital staff point out that each bed filled by a boarded patient means fewer resources for patients with the types of other medical needs that often land people in in the ER, including overdoses, heart attacks, or car accidents.

In order to track the problem, Sahan Journal reached out to five health-care systems in the Twin Cities; four responded with data:

How many children were boarded at different Minnesota hospitals in 2023?

Total number of children who were boarded in hospitals in the Twin Cities and length of longest stay, by hospital.

Hospital	# of children boarded	Longest stay (days)
Allina Health	790	138
Children's Minnesota	254	123
M Health Fairview	164	81
HCMC	78	72

Note: Sahan Journal reached out to five health-care systems in the Twin Cities; four responded with data. HCMC stands for Hennepin County Medical Center.

Table: Cynthia Tu, Sahan Journal • Source: Reporting by Sahan Journal • Get the data • Created with Datawrapper

The hospitals that shared their boarding data say the situation also leads to poor employee morale and workforce burnout. Doctors and nurses may encounter challenging patients, with complex conditions they haven't been trained to treat. Sometimes they experience physical altercations. Employee resignations leave the remaining staff with even more demands.

A newly released Minnesota Hospital Association survey of about 100 hospitals estimates the unpaid costs of "unnecessary" patient stays at $487 million–and 195,000 days (or 534 years) for the patients themselves.

These hospitals are asking for relief: A coalition of medical systems testified at the State Legislature in July 2023 and called for help to place these patients outside of hospitals. The hospitals have appealed to the Department of Human Services, and county health authorities. But with the limited options for residential treatment, little progress has been made.

"There's been lots of condemnation, but not a lot of action," said Lewis Zeidner, M Health Fairview's system director for clinical triage and transition services. "There have been lots of meetings. Lots of discussion. But we are truly harming these children, and this is not OK."

How we got here

Even before Covid 19, mental health experts were sounding alarm bells: American youth were in crisis. The pandemic amplified the problem, as demand for treatment accelerated. The number of "beds"--or treatment slots— dropped at psychiatric residential treatment facilities that offer 24/7 care for people with suicidal ideation, severe aggression, and other safety issues. Facilities closed. One industry group has tracked 173 group-home closures since 2021.

As a result, kids with mental health diagnoses such as depression, anxiety, and bipolar disorder sometimes face months-long wait times for placement in residential treatment centers.

When a teen reaches a mental health crisis—say, a suicide attempt or violence toward other family members—parents or guardians call 911 and paramedics bring them to the emergency room.

But the problem also affects a second group of teens: those, like Tyana, who are neurodiverse and may have associated behavioral challenges. These children (primarily kids with autism) face an additional challenge: There are even fewer residential facilities that provide the complex types of care they require. Only a handful of facilities in Minnesota offer beds for kids with autism, where youth can access occupational therapy, medical support, individual and family therapy, and speech support.

"They're the kids we worry most about," Lardizabal said. "They're in this never-never land because there's a big gap in services."

Kids who are living at home with limited treatment can become dangerous for the entire family. Desperate parents and guardians show up at the emergency room, sometimes on the advice of county social workers. (The term "guardians" includes foster parents and group-home managers.)

When Brenda Muthoni, a social worker, evaluates patients with mental-health assessments at Children's Minnesota, they're often in a crisis, she said. If no in-patient psychiatric beds are available, the children wait. Sometimes group homes drop off kids at the emergency department, then suspend services so the kid can't return, Lardizabal said.

Under federal law, emergency departments can't refuse care.

“There are very, very few places to send kids in terms of residential and group homes,” Lardizabal said. “So often kiddos are looking at out-of-state placements, which can take weeks or months. You might present a kid to 100 places and they all say no because the child is behaviorally complex.”

The crisis isn’t due to a broken system, said Sue Abderholden, executive director of the National Alliance on Mental Illness of Minnesota (NAMI). An adequate system was never built.

How boarding harms adolescent patients

Adolescent patients with behavioral needs stay in Fairview’s emergency room for an average of three weeks, Zeidner said. During that time, their living arrangement may consist of a bed in a hallway or a very small room with no windows and no bathroom, he said.

“It’s extremely boring, they don’t get outside, there’s often not an available shower,” he said.

The emergency room is not an environment where many people thrive, but it often proves exceptionally challenging for the kids who end up there. Boarded patients witness everything going on around them in the ER, including patients who are highly intoxicated or in a lot of emotional pain, Zeidner said.

“We can keep them physically safe,” he said, “but we can’t keep them safe from witnessing trauma for weeks and months.”

These kids tend to have developmental delays and behaviors that have become problematic to whoever is caring for them, Zeidner said. In general, kids in this group prefer consistent rules and caretakers. But in the hospital, the nurses and doctors change every eight or so hours.

“Despite the fact that we have a plan for them, there’s human variance in how they’re taken care of,” Zeidner said. “They often begin to act out because that’s what they do. If they don’t have good verbal skills, they might holler, they swing out, they kick out. And then people start to react to that. Then it escalates and those children get worse in terms of behavior and their ability to cope.”

Living conditions for boarding patients are less than ideal, agreed Dr. Aimee Sznewajs, a system medical director at Children's Minnesota. Often, kids who present safety or elopement risks are placed in highly restrictive environments.

“Really, everyone in the hospital gets to know and care for them, but they spend a lot of time essentially living with us,” Sznewajs said. “They’re deprived of normal activities like school, going outside, interacting with peers..”

The doctors and nurses who care for these patients say they are doing the best they can, but often their best isn’t good enough.

“Ethically and morally we’re not willing to abandon them, but we don’t have the resources to really care for them,” Zeidner said.

In other words, when you’re boarding in the ER because of a mental health or developmental disorder, “you’re actually not getting treated,” Abderholden said.

All the doctors and advocates Sahan Journal spoke to emphasized that a similar lack of treatment would never be acceptable for patients with other medical needs.

“You wouldn’t say to someone who needs dialysis, ‘Sorry, we just can’t do that,’” Sznewajs said.

Recent research shows that boarded patients often experience a worsening of symptoms in the hospital.

A 2023 study by Brown University researchers, for example, found that boarded patients often fund their basic needs have not been met. As one emergency provider told the researchers, “I’m concerned that kids aren’t getting to shower regularly. Some kids in the ED choose the same food every day. I’ve had parents complain that they aren’t changing undergarments or [receiving] new scrubs.”

Research also chronicles other ways boarding may damage a patient’s health: The chaotic environment frequently heightens psychiatric disorders, and they are also at a higher risk for requiring chemical and physical restraints.”

“I've been doing this work for over 40 years, and few situations have caused as much emotional pain as this,” Zeidner said.

How boarding harms hospitals

In addition to the financial impact, hospitals say boarding impacts their ability to provide quality care to other patients.

Simply put, “we want to match the right resources with the right places,” Sznewajs said.

With staffing tight, boarded patients may limit a hospital’s resources to treat patients with specialized needs in, say, kidney disease or cardiac care. ”We’re not able to always serve the community in the way we need to,” she said.

Some repercussions aren’t as visible, such as the time hospital staff spend trying to find appropriate care for patients, outside the hospital. In one case, Zeidner recalls staff making over 100 attempts at placing a patient in a residential program.

The lack of appropriate resources leaves both patients and staff at a higher risk of being harmed, one study found.

Patients have sometimes hit Fairview staff members, Zeidner said. Employees haven’t left as a result, he said, but research has shown that boarding accelerates staff turnover at other facilities.

Boarding also takes financial resources from hospitals. Often, boarded patients are uninsured or don’t meet the criteria for the hospital to be reimbursed. And when a bed is found at an appropriate treatment center, it may be far from the patient’s home, even out of state.

That increases the care costs exponentially while decreasing the likelihood of followup treatment. The result? Kids show up back in the ER.

Solutions: Alternatives to hospitalization

Everyone who has experience with boarding—doctors, nurses, social workers, advocates—returns to the same core problem: There is nowhere else for patients to go.

“It’s not anyone’s fault, in a sense,” said Abderholden, the president of NAMI- MN.

Solutions will not be simple. A recent policy statement from the American Academy of Pediatrics recommends a multi-pronged 40-step action plan, enlisting hospitals, emergency responders, schools, and crisis-response teams.

The Minnesota coalition of hospitals has called for reforms, too. These range from changing the way counties negotiate with group homes to finding a new way to place kids with complex care in non-hospital settings.

Some changes, experts say, should occur upstream. Increased access to outpatient therapy, for example, could reduce the number of teens who end up in crisis.

Some work has begun on a few of these pieces. For example, Ramsey County is developing an urgent-care model for youth mental health, according to Codie Hillstead, project manager for the expansion.

In addition to expanding mobile crisis teams, the county is dedicating space in its adult mental- health clinic, near Regions Hospital, for families to receive assessments. Intensive therapeutic interventions could help fill in the gaps while waiting for long-term services, Hillstead said. These services could be in place as early as this spring.

But for the kids and families struggling right now, these developments and potential solutions may bring little comfort.

Tyana's most recent visit to the emergency room lasted 55 days. It finally ended with Tyana getting a placement in a group home in Mendota Heights. But her aunt feels this facility can't actually deal with some of Tyana's needs. Hunter recently turned 60 years old, and she said she stays up at night worrying about Tyana and wondering if she should bring her back home.

Unless it's absolutely necessary, Hunter said, she does not plan on calling 911 again.

A failure to meet mental health needs

Minnesota's system is underfunded at the same time demand is increasing.

By the Editorial Board of the Mankato Free Press

February 4, 2024 — 6:00pm

Kids needing mental health treatment in Minnesota wait for days in emergency rooms. When kids and adults do get care, the providers are paid about 74% of what the government would pay for Medicaid patients. Woefully inadequate.

A recent study examining the Minnesota mental health system shows it's significantly underfunded while demand is overwhelming providers and the result has been the long waits for therapy and costly emergency room visits. Children's Health in Minneapolis reported some 1,700 children admissions to emergency rooms for mental health concerns in 2018. That number has since nearly doubled, according to a report in the Star Tribune.

While the current rate from the Department of Human Services for residential substance abuse treatment is about $79.84 per day, the study recommended the level should be nearly triple that at $216.90 per day.

Minnesota's formula for reimbursement is not based on costs providers face or quality of care. It has been set arbitrarily, according to Kristy Graume with the Minnesota Department of Human Services, the Star Tribune reported.

And there is no way the state can triple its reimbursement rate, given a budget that will be flat or possibly in deficit in the next two years, according to Rep. Mohamud Noor, DFL-Minneapolis, and chair of the House and Human Services Finance Committee.

"We will do everything in our ability and power to increase rates," he told the Star Tribune, adding: "I don't want to disappoint anybody — we don't have any budget capacity to do the rate increases that were reflected in this study, but we'll keep working together."

DHS experts say the state should adopt the Medicare formula for reimbursement, noting that the current state rates are unsustainable. The lack of funding leaves patients without treatment, and their care ends up being more costly as they end up in emergency rooms or jail.

Funding mental health care at reasonable rates for providers should be a top priority in the next legislative session. A Free Press in-depth report on mental health last year showed high demand for services locally and long wait times. It showed a state system of reimbursement fraught with delays and bottlenecks.

Some progress has been made. Last year, the Legislature boosted funding for mental health services, especially in schools. It approved establishment of the Blue Cross Blue Shield of Minnesota Center for Rural Behavioral Health at Minnesota State University. That institute will train mental health practitioners and provide mental health services.

But it's obvious more needs to be done. Tackling the reimbursement rate will not be an easy lift, and while funding may be tight, legislators should consider the costs, human and financial, that will be incurred by all if the system continues to fail patients who need help.

Minnesota addiction treatment centers closing, despite high demand

As drug overdose deaths remain high, treatment providers said 2023 stood out for the number of program closures.

By Jessie Van Berkel Star Tribune

FEBRUARY 3, 2024 — 10:50AM

Minnesota teens struggling with drugs or alcohol have few options for help after several treatment centers closed last year.

Clinics that prescribed opioid addiction medication shut down in Duluth and Inver Grove Heights in the fall, as did a decades-old residential treatment program in New Ulm.

And as 2023 came to an end, so did a nonprofit's drug treatment program for mothers at a St. Louis Park housing complex.

Addiction treatment providers stopped services in at least 10 Minnesota locations in 2023, often citing a lack of staff and perilously thin margins. Others scaled back.

Program closures in 2023 surpassed any year that several providers said they can recall, and the closures are coming as deadly overdoses and demand for services remain high. On average, more than three people died every day in Minnesota from an overdose, according to Minnesota Department of Health data on confirmed deaths in 2023.

"It's been a nightmare," said Jack Benson, executive director at the metro-area On-Belay House Anthony Louis Center that serves teenagers. "We're seeing a lot more deaths."

The state is hearing about "unprecedented degrees of challenge" in addiction treatment, as well as other helping professions such as nursing and mental health care, said Department of Human Services Assistant

Commissioner Eric Grumdahl. It's hard to find and hang onto workers willing to do the challenging jobs, state administrative requirements are burdensome and companies are still limping from pandemic setbacks and inflation, he said.

Then there's the state's reimbursement rates. A recently released state study showed the rates the state pays providers do not line up with what they are spending to do the work. DHS officials recommended widespread increases, and both Democrats and Republicans stressed the need for rate changes at a January hearing.

But spending in the upcoming legislative session is expected to be minimal and a budget deficit might be on the horizon. That could mean organizations will have to wait for rate increases.

However, Grumdahl noted the state is still distributing some of the roughly $200 million legislators approved last year for behavioral health. He said portions of that money are going to help start up or expand substance use treatment, including family treatment centers, culturally specific programs and harm reduction measures to reduce fatal overdoses.

"This is not a simple solution. It's a really complicated problem that is, in many ways, decades in the making," he said. "So rates is a part of that, administrative simplification is a part of that, removing the barriers to licensure and entering the field is part of that."

Overdoses feared amid service shortages

Benson has heard about several teens who died from overdoses in the past year as they waited for a treatment center bed to become available.

While some companies did open or expand facilities in 2023, providers said they believe more places have closed. Benson's organization shut down five locations in recent years, but reopened one last year. Meanwhile, closures of other companies' adolescent facilities in Mora, Burnsville and Roseville last year have funneled more people to their waitlist. He said working with teens comes with additional licensing and staffing requirements and low state reimbursement rates make it "very, very difficult."

It's not just adolescent centers shutting down: Providers offering various levels of service – from residential inpatient treatment to outpatient therapy services to clinics offering medication-assisted treatment – have closed their doors.

Organizations are also mothballing programs, having staff take on more cases or selling real estate to stay viable, said Brian Zirbes, executive director of the Minnesota Association of Resources for Recovery and Chemical Health. He said the association surveyed more than 120 of its members last summer and found a number of them were "on the ropes."

"They have been scaling down, scaling back to stay alive," Zirbes said.

It's difficult to get an exact count of how many substance use treatment providers closed in Minnesota over the past year. DHS licensing data show that among hundreds of licensed providers, dozens closed last year and there was a substantial drop in treatment providers' overall client capacity. But the numbers are flawed.

Some agencies DHS listed as closed told the Star Tribune they were still fully operating, while others listed as having active licenses have closed. The data only reflects closures reported to the agency, but providers are not obligated to report a closure, according to a DHS spokesman, who said they also mark a place as closed when a provider fails to pay a renewal fee at the end of the year.

The state licensing data doesn't reflect a closure at one of Cindi Naumann's businesses. She said she and her business partners at Freedom Center and New Freedom have spent years providing drug and alcohol treatment to rural communities in central Minnesota with the goal of "literally trying to save lives."

Last year they closed two locations, an outpatient center in Cambridge that was serving more than 100 clients a year prior to the pandemic and a 15-bed facility that offered housing and treatment in Princeton. They have another facility left in Princeton, she said, but it has a waitlist.

"That was very, very sad for us," Naumann said of the closures, noting that business was hampered by stagnant reimbursement rates, a lack of staff and lost income from the pandemic. "Once the pandemic hit and since then it's just been impossible to keep things staffed and to move forward."

Providers in rural communities said having fewer facilities means people have to look harder and drive farther, or must piece together sparse public transportation options to get the help they need.

It's critical to seize the moment when someone is ready for treatment, and long distances and waitlists get in the way, said Marti Paulson, CEO of Project Turnabout in western Minnesota. Paulson, who is president of the Minnesota Alliance of Rural Addiction Treatment Programs, said in her 20 years in the business she's never seen anything close to the closure levels of 2023. She worries about the consequences.

"If you are in active addiction," she said. "A waiting list is asking for overdose."

Jessie Van Berkel writes about Minnesota government and politics at the Star Tribune. She previously covered St. Paul City Hall and local government in the south metro. jessie.vanberkel@startribune.com

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Minnesota Reformer

February 2, 2024

Kids are suffering, and we're not doing enough to help

Time to increase Medical Assistance reimbursement rates

CRAIG WARREN

Minnesota's children are in crisis. They were in crisis before COVID-19, enduring a system unprepared to serve them: Pre-pandemic more than 100,000 Minnesota children suffered from untreated anxiety, depression and trauma and could not access care. This need has only intensified — and there's no indication that we've seen the peak.

Every kid we serve — nearly 4,000 last year — is navigating mental health challenges that outpace what we imagined for this generation, or any generation.

Even as I write this today, we have 820 kids waiting for services at Washburn Center, with more caregivers calling each day. It is not inconceivable that a family may be waiting for up to nine months to start services. And we are not alone; you find this in every community in our state.

We are losing a generation to escalating and untreated mental health

The ever-growing and complex demands of this crisis threaten our future. Our community's kids are actively living in trauma, through trauma and with the effects of trauma.

It is affecting their education. It is affecting our health care system and judicial system. It will have lasting impacts on our society and economy.

This is solvable
Now is the time to invest in our state reimbursement rates for mental health and substance use disorder services.

Medical Assistance reimbursements — the core source of funding for Minnesota's mental health system — are not keeping pace. More than half of our fee-for-service revenue comes from reimbursement rates that cover only 60-70% of the cost of services. As a state, we are not doing enough.

The recent legislative hearing — at which lawmakers said their hands are tied — was dispiriting, to say the least.

The current rate structure is holding our kids back
It's keeping mental health care and safety-net providers like Washburn Center from reaching more kids and families. It's shrinking the talent pool of therapists to serve the demand. In many cases, the pay structure does not provide a living wage and keeps us from attracting incoming talent.

Community mental health providers and programs are committed to addressing the heightened need and our mission is to nurture every child and family's well-being and full potential through transformative children's mental health care.

This work comes with many rewards and challenges. Let's not let a broken system be the reason our state's children fail to thrive.

If we invest in Minnesota's Medical Assistance program for mental health, the returns will be measurable for Minnesota's children and will be felt in every district. Schools. Community centers. Faith centers. Jobs.

But action is required. Let's change course and invest in our children.

Minnesota Hospital Association

January 31, 2024

PATIENT DISCHARGE DELAYS COST MINNESOTA HOSPITALS NEARLY HALF A BILLION DOLLARS IN 2023

One in six days of hospital care are unnecessary and unpaid, threatening access to care for patients across Minnesota.

A new comprehensive survey of patient care in Minnesota hospitals has found persistent, ongoing delays in discharges from emergency departments and inpatient care, resulting in tens of thousands of days of unnecessary hospital-level patient care and staggering financial losses.

"Minnesota hospitals have gone from being a safety net, to being a catch-all for patient care," said Minnesota Hospital Association CEO and president Dr. Rahul Koranne. "This is a function they were never intended for, can't afford, and isn't good for patients. This gridlock is preventing Minnesotans from getting care that their lives depend on. Policy makers must act."

The survey of 101 hospitals by the Minnesota Hospital Association follows similar data collection by the Minnesota Department of Human Services in the first five months of 2023, which found more than 76,245 days of unnecessary hospital care. The new survey found 65,555 additional days of unnecessary patient stays June through October. (The new data reflects usual seasonal variation in hospital care, as well as changes in administrative data collection.) These surveys represent an annual total of nearly 195,000 patient days of avoidable and unpaid care. This patient gridlock not only reduces overall capacity for hospital care; it also cost Minnesota hospitals and health systems an estimated $487 million in unpaid care.

These delays include patients stuck in hospital beds waiting for transfers to nursing homes, rehabilitation units, mental health treatment facilities, and other sub-acute care facilities. The latest survey also found hospitals provided 9,223 days of emergency department stays, often people stuck waiting for inpatient care, or simply brought to a hospital for lack of any alternative. These stays increased waits for other patients who need care and forced some patients to find other care elsewhere, with potentially life-altering delay.

This unsustainable level of unpaid care is a root cause of financial distress for hospitals all over the country, combined with payers that don't cover the full costs of care, and fast-rising costs. In the first half of 2023, an alarming 67% of Minnesota hospitals reported operating losses. Elsewhere, two hospitals have already closed in western Wisconsin in 2024, and 12 hospitals around the U.S. entered bankruptcy last year, more than the previous three years combined.

Koranne noted the Minnesota Department of Health has already had three hearings on hospital service closures in January – half of the total for all of last year in Minnesota. "We are at a critical point," Koranne said. "Our hospitals are facing immense financial pressure. We need real and immediate financial assistance from the legislature in the coming weeks to prevent further service or facility closures and to ensure access to quality health care for all Minnesotans."

Video statements on this issue with Minnesota Hospital Association president and CEO, Rahul Koranne, can be found here and here.

For interviews and more information, contact Lou Ann Olson or Tim Nelson.

Mental health, and caregivers, are in crisis

Medicaid's rates are cracking the foundations of the already fragile system.

By Todd Archbold, CEO of PrairieCare

January 30, 2024 — 5:30pm

We remain in an ongoing mental health crisis. Persisting for years, it's a crisis marked by increasingly complex health needs and exacerbated by inadequate funding to an already fragmented and fragile system.

Our state's Medicaid program is supposed to protect our most vulnerable residents, disproportionately impacted by mental illness. Yet its reimbursements cover on average only 60% of the actual cost to provide the care. In fact, the Medicaid rate-setting methodology intentionally underpays mental health providers with a target set at 83.9% of the Medicare rate.

As a result, we have a worsening workforce shortage that has left 80% of our counties without necessary access, providers refusing to participate in the Medicaid program. Entire organizations have closed due to insolvency directly related to poor reimbursements.

PrairieCare is one of the region's largest psychiatric care providers for all ages. We specialize in acute care for youth in the state's largest inpatient psychiatric hospitals, supported by several community-based outpatient programs. We provide care to all patients in our hospital, regardless of their ability to pay. This is part of our mission, and our responsibility to the communities we serve.

Each time we bill Medicaid for the lifesaving care we provide, we lose money — often thousands of dollars per episode of care. Imagine a restaurant where half of all the customers only paid 60% of their bill. That restaurant would eventually go out of business, or stop serving those customers.

We rely on better paying commercial insurance rates to offset our losses, but those reimbursements are also lagging. An increasing percentage of those commercial plans are prepaid medical assistance plans (PMAP) that have the advantage of commercial plan administration and network access, but with similarly underfunded reimbursements to providers with Medicaid as the underlying source.

Two years ago, on the heels of a devastating pandemic, the state had a record $18 billion-plus surplus and did nothing to increase Medicaid rates. Last year, despite more pleas from languishing providers to increase rates, again nothing happened. More organizations closed, and we now have decreased capacity in day treatment, residential programs and psychiatric hospitals.

Last week the Minnesota Department of Human Services published their second rate-study report on Minnesota Health Care Programs Fee-for-Service Outpatient Services. The complexity of the analysis is telling, and the recommendations are resounding: Medicaid rates must increase significantly, it must happen now, and the rate-setting methodology that has failed our systems needs to change ("Mental health costs beg a financial fix," Jan. 25).

While this critical issue is being discussed among policymakers, deaths by suicide and drug overdose are at a record high. Emergency department visits for youth in mental health crises continue to skyrocket. Kids in need of mental health services are stuck on waitlists and are boarding in hospitals for weeks and even months at a time. According to a statewide survey of mental health providers this month, 66% reported shrinking current services, 38% reported closing services and an additional 22% anticipate closing additional services in 2024. There are many ways in which we could expand access within our current infrastructure — but providers won't be due to the volatile and risky reimbursement models across payers.

Fixing Medicaid mental health rates must be a high priority. Our systems will pay for it one way or another.

Todd Archbold, of Maple Grove, is CEO of PrairieCare.

Minnesota's mental health system is broken. A new state study proposes a financial fix.

Lawmakers warn changes to provider reimbursement rates in the near future could be limited with a looming state budget deficit.

By Jessie Van Berkel Star Tribune

January 24, 2024 — 5:18pm

Minnesotans in mental health crises are stuck in hospital emergency rooms with nowhere else to turn. Treatment centers are bleeding staff who complain of being underpaid and burnt out. Children linger on months-long waitlists for therapy.

The state's system is failing to meet increasingly crushing demands. Those who work in mental and behavioral health and addiction services repeatedly point to a common theme at the center of the problem: Reimbursement rates from the state are not sufficient to cover their cost of doing the work.

A long-awaited state study released Wednesday illuminates just how far off the rates have gotten and proposes a plan to better align the figures with reality.

"If we can't pay for the cost of care we doom our system — and more importantly our children and families — to access care at the height of crisis, risking and prompting some of the greatest harm," said Kirsten Anderson, executive director of AspireMN, which advocates for treatment services for kids.

But there's not yet a price tag for the sweeping changes the Department of Human Services outlined Wednesday, though staff said they are working on estimates. With a potential state budget deficit it remains to be seen just how much state leaders will be willing and able to shell out.

"We will do everything in our ability and power to increase rates," said Rep. Mohamud Noor, DFL-Minneapolis, who leads the House Human Services Finance Committee. But, he warned, "I don't want to disappoint anybody — we don't have any budget capacity to do the rate increases that were reflected in this study, but we'll keep working together."

The state's mental and behavioral health reimbursement rates have been set arbitrarily, said Kristy Graume with the Minnesota Department of Human Services. They aren't based on justified costs and have not kept pace with the expense of providing services, she said.

"That's obviously a big problem for the sustainability of the behavioral health system," Graume said, noting that the rates for some services "are almost wholly unsustainable."

Medicare, meanwhile, uses a complex equation to set its rates for different types of services. That equation takes into account factors like a provider's education level, their location and the type of equipment they need to provide the given care.

The state should adopt that Medicare system and follow their approach to annual rate updates, said Diogo Reis with DHS. Minnesota's system paid roughly 74% of what Medicare would have paid for services last year, Reis said.

But for some services, that Medicare rate-setting method doesn't apply and for those, state officials recommended an approach to establish market-based rates and suggested that those be indexed to inflation.

The rates for residential substance use disorder treatment providers are particularly low, and Graume suggested they should be a starting point as lawmakers look at available state dollars and where to spend them.

A provider that offers residential services for people with addiction and provides low-intensity services — which means at least five hours of skilled treatment services per week — gets $79.84 per diem. The study recommends that be nearly tripled to $216.90.

Other states have also been boosting rates, said Brandon George, the vice president at Ascension Recovery Services. While the cost is going to be high, he warned lawmakers that inaction on rates will lead to bigger bills down the road when people don't get the treatment services they need early and end up in emergency rooms and jails.

The number of visits to the emergency department for mental health concerns has climbed at Children's Minnesota, from roughly 1,700 in 2018 to around 3,300 last year, according to Jessica Brisbois, the acute mental health manager at Children's Minnesota. In the first 10 months of last year, she said about 200 kids collectively spent 1,500 days stuck in their hospital because there wasn't an available treatment center.

"Children are waiting for months to access care, too often utilizing the emergency department as the last resort," Brisbois said. "I know that if these kids had access to outpatient mental health services, many of these crises could be avoided."

Correction: This story has been updated to correct a reference to the wrong program. It now compares Minnesota's payments for services to Medicare.

Jessie Van Berkel writes about Minnesota government and politics at the Star Tribune. She previously covered St. Paul City Hall and local government in the south metro.

KSTP-TV

Dead phone lines and empty offices: Mental health providers are closing and Minnesota doesn't know

Kirsten Swanson and Ricky Campbell KSTP
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https://kstp.com/kstp-news/top-news/dead-phone-lines-and-empty-offices-mental-health-providers-are-closing-and-minnesota-doesnt-know/

The door to suite 2B-5 was locked. The phone rang and rang, never hitting a voicemail message.

The office in the basement of the old Victorian home in Minneapolis was listed in state records as an open and active program for substance use disorder treatment.

But the woman who offered those services hadn't been seen in months.

"I think she went back to London," said a neighbor who also worked in the building.

The treatment provider is one of more than a dozen programs recently identified by 5 INVESTIGATES that are not operating despite being listed as “active” in a state database that is supposed to track care providers in real-time.

It means the Minnesota Department of Human Services (DHS) does not truly know which businesses are actually providing care, even as the state grapples with an increase in the need for mental health and substance use disorder treatment programs.

While DHS downplayed the discrepancy, providers and patient advocates say it adds uncertainty and confusion to a system already in crisis.

“If that safety net falls apart, we don’t have a backup plan,” said Jin Lee Palen, executive director of the Minnesota Association of Community Mental Health Programs.

Dead phone lines and empty offices

There are more than 440 licensed substance use disorder treatment providers that are open and serving clients across the state, according to DHS.

“There’s a lot of programs that are operating and serving Minnesotans every day,” said Eric Grumdahl, assistant commissioner with DHS.

But in September, 5 INVESTIGATES surveyed more than 260 businesses in DHS’ database and discovered at least 15 locations that had either closed down or appeared not to be operating.

Phone numbers were disconnected.

Addresses listed on the license led to empty office spaces.

Several other providers confirmed they’d stopped seeing patients weeks ago.

That includes two programs that closed this past summer after nearly three decades of providing care.

Out of Options

Brian Sammon opened Options Family and Behavior Services 27 years ago. The day-treatment program served adolescents who struggled with severe mental health issues and substance use disorders.

The secure facilities in Burnsville and Roseville helped children who no longer needed hospital-level care but who couldn’t yet return home full-time. Participants spent three to four hours a day with licensed staff, five days a week.

“This is the group of kids that if they don’t get this are back in the hospital, are suicidal, are running the streets, all kinds of stuff,” Sammon said.

The need for intensive programs, especially for children and teens, has skyrocketed since the beginning of the pandemic. In Minnesota, healthcare providers are reporting record numbers of children with behavioral health issues **being dropped off at hospitals** with nowhere else to go.

Sammon prided himself and his staff on being able to fill that gap for families in need.

But the last three years took a toll on his business and its budget. The legislature increased treatment reimbursement rates for mental health programs by just 3% this year.

“The wages we pay to our staff have gone up 30% in the last two years,” Sammon said. “It’s unaffordable at this point.”

Palen, who represents dozens of mental health programs across the state, said providers are experiencing a “perfect storm” of factors.

Low reimbursement rates, coupled with a workforce crisis brought on by the pandemic, are forcing providers to make difficult decisions.

In June, Sammon announced both Options locations would close.

“It’s kind of like being at a two-week long or four-week long wake or funeral,” he said during an interview in July. “It’s always just ‘goodbye, goodbye, goodbye.'”

As of this week, those programs are still listed in the state’s database.

A ‘very small percentage’

During a nearly half-hour-long interview, Assistant Commissioner Grumdahl declined to comment on specific programs.

“We know that the programs that are not currently active in a license represents a very small number relative to the total number of programs that are operating,” he said.

Grumdahl added that service providers are not required by law to report when they shut down.

But Sammon said he did inform DHS he was closing Options permanently. It was a choice he never imagined he’d have to make.

“At some point, retirement would come up, [I’d] find another provider like myself who’d want to take it over and move it on to them,” Sammon said, getting emotional. “It was never to close it up.”

And according to the state database, he never did.

Mental Health Resources

Representative Tina Liebling, Chair
Health Finance & Policy Committee
Minnesota House of Representatives
April 12, 2024

Chair Liebling and Committee Members

On behalf of Mental Health Resources, Inc. I am sending this letter to support House File 3495 – Comprehensive Solutions in Mental Health.

Founded in1976, Mental Health Resources (MHR) is a 501(c)(3) non-profit with over 48 years of experience providing community-based mental health services for people with serious and persistent mental illness. In 2023, MHR served over 13,000 people with mental illness and/or substance use disorders to access resources and help them maintain community living and a better quality of life. MHR directly provides many of the community-based services that people with serious and persistent mental illness need to live in the community including mental health Targeted Case Management (TCM), Assertive Community Treatment (ACT), in-home mental health therapy, outpatient co-occurring substance use disorder treatment, intensive community-based services, a Community Support Program, care coordination, peer support groups and a housing voucher program. While most of our clients reside in Hennepin, Ramsey, and Dakota Counties, we provide services in 22 counties throughout Minnesota. The vast majority of MHR clients are low-income or live below the federal poverty level and over 96% of our clients are enrolled in public programs.

We are working to build our programs to respond to as many needs of our clients and communities as we can. We believe the policy and regulatory changes in HF 3495 are necessary to sustain our mental health and SUD services, AND we need state investments in our care system. Limited capacity, the workforce shortage and shrinking service access are all connected by the lack of sustainable investments in our mental health and SUD service delivery system. Solutions must also be comprehensive and address both the inpatient and community services up and downstream from them. Yes, Minnesota needs more hospital care capacity. And we need to invest in community services to prevent situations from becoming so acute to need inpatient care as well as supporting capacity to discharge clients to when they are ready to move to less intense levels of care.

H.F. 3495 contains many proposals which allow community mental health clinics to keep moving toward an integrated, holistic model of care. This bill furthers efforts to streamline regulations that govern the services we provide together under one roof. These include:

- needed changes to our substance use disorder regulations and systems
- streamlining regulations - increasing access to our communities and clients by removing entry assessment barriers; supporting our staff by responding to today's lack of workforce

Mental Health Resources

capacity with flexibility in many critical services like assertive community treatment (ACT); supporting clinics' ability to comply with regulations by bringing consistency and standardization to them; removing unnecessary paperwork barriers

- making investments in respite programs
- stabilizing grant funding determinations and allocations
- building our children's mental health infrastructure
- helping our clinicians to work at the top of their licenses and focus on providing good care to clients and communities

In this current workforce crisis and sparsely invested mental health and SUD environment, community mental health and SUD programs are striving to bring services together under consistent standards with adequate investments. This all adds to the struggle to keep access to quality mental health and SUD care available for our communities.

MACMHP thanks this Committee and rest of the legislature for the good work you have done over these several years in bringing our mental health regulations together and first steps in streamlining them. We are hopeful this bill is the next step in that good work to build a regulatory system that can respond with the changing needs of our industry and our communities.

Thank you for your leadership and support.

Brenda Shores, LICSW
Vice President of Clinical Services
Mental Health Resources, Inc.