



March 20, 2023

SENATOR MELISSA WIKLUND, CHAIR
HEALTH AND HUMAN SERVICES COMMITTEE
MINNESOTA STATE SENATE

Dear Chair Wiklund and Committee Members,

On behalf of Woodland Centers, I am sending this letter to support **Senator Boldon's Senate File 926 – 35% bridge increase to outpatient mental health and substance use disorder Medical Assistance rates.**

Woodland Centers is a private non-profit 501(c)(3) comprehensive community mental health center 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. Woodland Centers catchment area encompasses approximately 5000 square miles with a population of approximately 114,000. Approximately 75% of the clients served at Woodland Centers are enrolled in Minnesota Health Care Programs and another 15% 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 serves approximately 5,000 unduplicated individuals each year ranging in age from toddlers to the elderly.

We are in a more severe mental health and SUD care access crisis coming out of the global pandemic than before. At the root of this crisis is the lack of sustainable reimbursement funding for our mental health and SUD care safety net. Costs of delivering care and sustaining staff salaries, benefits, facilities infrastructure and meeting state regulations have increased exponentially. But, Medical Assistance

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(Medicaid) reimbursements – the core source of funding for our MN mental health and SUD treatment system – have not been increased for a decade and do not include a way to keep up with inflation.

Community mental health providers and programs are striving to keep up with the need for mental health and SUD care, while being reflective and highly responsive to the individuals, families and communities we serve across the state. This work comes with many rewards and challenges – financial, sustainability and human impacts, including:

- Waiting lists for intake and treatment more nearly two months long
- Unfilled staff positions
- Competitive market salaries increasing by up to 30%
- Compounded regulatory forms and reporting
- Required facilities upgrades

Please support increasing our MA rates for mental health and SUD care – this is foundational to solving our mental health and SUD crisis in Minnesota. Thank you for your consideration and support.

Sincerely

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

Chief Executive Officer

Woodland Centers