



The Kid Experts™

March 14, 2024

Senate Health and Human Services Committee

Chair Wiklund and Committee Members:

On behalf of Children's Minnesota, we are writing in support of 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.

Children and families cannot spend another year waiting for a solution to the mental health crisis they are experiencing, and we cannot address this crisis without increasing mental health reimbursement rates.

Sincerely,

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