

Fairview

March 14, 2024

Senate Health and Human Services Committee

Dear Chair Wiklund and Committee Members:

On behalf of Fairview Health Services ("Fairview"), we are writing in support of legislation to increase the Medicaid payment rates for inpatient and outpatient mental health services. This is a critical step to improving 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 the 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 toward opening the state's newest purpose built inpatient mental health hospital in partnership with Acadia Healthcare. Unfortunately, innovations like these are not sustainable nor replicable long-term at the current reimbursement rates for mental health services.

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 patients' 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 of inpatient mental health services, even threatening existing capacity. This low reimbursement rate also affects outpatient services where growth is not feasible due to not being able to pay for the cost of care. This leads to less access, increase in emergency department (ED) visits and inevitably more inpatient stays, continuing the negative feedback loop.

The challenges also show up directly in our EDs. 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,



Rich Levine, MD

Fairview Health Services, Medical Director for Adult Outpatient Mental Health and Addiction Service Line