



# Minnesota Association of Community Mental Health Programs

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Senator Melissa Wiklund, Chair  
Health and Human Services Committee  
Minnesota State Senate  
March 14, 2024

Dear Chair Wiklund and Committee Members

On behalf of the Minnesota Association of Community Mental Health Programs (MACMHP), I am sending this letter in support of your legislation to invest in our Minnesota's Medicaid (Medical Assistance) rates for our mental health and substance use disorder services.

MACMHP is the state's leading association for Community Mental Health Programs, representing 39 community-based mental health providers and agencies across the state. Our mission is to serve all who come to us seeking mental and chemical health services, regardless of their insurance status, ability to pay or where they live. As Essential Community Providers, we serve primarily culturally diverse, low-income, uninsured and public healthcare program insured Minnesotans, who cannot access services elsewhere.

We continue to experience 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 and investments for our care sector. Costs of delivering care and sustaining staff salaries, benefits, facilities infrastructure and meeting state regulations have increased exponentially. But, Medicaid (Medical Assistance) reimbursements – the core source of funding for our MN mental health and SUD treatment system – are not keeping pace.

Our community providers are closing programs or significantly decreasing size their services in efforts to keep some base level of access to services we can available to our clients. This is resulting in increasingly long waiting lists and longer periods of time clients are kept waiting for care. Waiting lists for intake and treatment are more than two months long because our providers have increasing numbers of unfilled staff positions. These are in part due to competitive market salaries increasing by up to 30-40% and more in certain areas, while Medicaid reimbursements have remained flat. Our community providers are also feeling the consequences our hospital partners have from our clients – children and families – boarding in emergency departments and inpatient units, knowing this is frequently not the right care for them.

Community mental health and SUD programs are striving to keep up with the need for care, while being reflective and highly responsive to the individuals, families and communities we serve across the state. We have been working with the Legislature and the Department of Human Services (DHS) over the course of many bills and rates studies since 2014. We are grateful for the work this legislature did in passing the three (3) percent rates increase in 2023. We also know that outcome was influenced by the anticipation of this CY 2023/24 Medicaid Rates Study. We are excited this report is complete and are ready to support moving recommendations for investing in our rates structures to sustain our clients' access to critical mental health and SUD services.

MACMHP, programs and hospital partners in the Mental Health Legislative Network are in good conversations with the Department. We strongly support the proposals in this legislation to address our MA rates, which includes several of the report's recommendations:

- Align applicable physician services paid under CMS's Resource Based Relative Value Scale (RBRVS) equal to 100% of the Medicare rates
- For mental health and SUD services outside of RBRVS, benchmark rates for services using market-based costs
- Increase residential SUD rates
- Streamline behavioral health home (BHH) rates into one statewide rate and increase the rate



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- Bonuses for underserved and professional shortage areas in the state
- Increasing the hospital rebasing adjustor for inpatient behavioral health services
- Ensuring rates' changes are passed through under Managed Care to providers
- Eliminating the 20% cut in MA payments to master-level educated clinicians

We recognize the current state budget environment and that this bill's proposals will need to have scaled implementation. We are hopeful for more conversations like this one that will move parts of this critical work forward this year. Please pass this legislation and help us move these recommended investments forward - this is foundational to solving our mental health and SUD crisis in Minnesota.

Sincerely

Jin Lee Palen  
Executive Director  
Minnesota Association of Community Mental Health Programs | MACMHP