



Minnesota Hospital Association

**161 Saint Anthony Ave., Ste. 915
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www.mnhospitals.org

March 13, 2024

Chair Wiklund and Members of the Health and Human Services Committee,

On behalf of the Minnesota Hospital Association (MHA) and the patients that our 141 hospital and health system members across the state serve, we write to you today in strong support of SF XXXX (Wiklund) to increase Medical Assistance mental health reimbursement rates.

Hospitals and health systems across Minnesota are dedicated to addressing the unprecedented mental health crisis and providing the most appropriate care to patients. Without continued policy emphasis and additional funding, access to mental health services will remain inadequate; available mental health providers will be insufficient; and the struggles to find appropriate, effective, convenient, and affordable services will continue to grow.

Medical Assistance provides reimbursement well below the cost of care, and mental health services are paid much lower rates than physical health services. In addition, Minnesota continues to experience severe health care workforce shortages, with 80% of the state's counties qualifying as mental health professional shortage areas. Higher reimbursement rates for mental health services will increase payment rates for mental health professionals, leading to better recruitment and retention.

In addition, hospitals and health systems continue to face immense challenges in patients seeking unnecessary emergency department care – called “boarding” – due to a lack of a viable alternative for appropriate treatment. Many of these patients are not able to access the mental health services they need and deserve due to the limited capacity of mental health providers and facilities in our state.

Patients and their families simply cannot wait another year for a solution to the urgent mental health crisis. We urge this Committee and the full legislature to take action to ensure access to mental health services for all Minnesotans.

Sincerely,

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