

To: Members of the Minnesota State Legislature

RE: 2025 Rate Cut to Mental Health Services

Dear Honorable Members of Minnesota Senate and House of Representatives:

We are an independent group of 2451 certified mental health clinics that collectively served **62,000 Medicaid patients** last year in the metro area and in outstate Minnesota.

We are alarmed that funding for mental health services has been cut starting 1/1/25. Specifically, while the state increased mental health reimbursement by 3% passed last session, **it eliminated critical access payments for mental health clinics, psychiatrists and others for those same services starting January 1, 2025.** The 3% increase does not offset the 11.85% decrease that critical access mental health providers will see on January 1, 2025, or the 23.7% decrease that we face in 2027. It does not make sense for mental health reimbursement to be going backwards, instead of moving forward, and we don't believe this was the outcome that was intended.

Mental health provider organizations like ours depend on critical access payments to fund current program-related costs. This includes wages, benefits, and other program-related costs, such as interpreters.

We support the soon to be introduced rates bill, championed by the Mental Health Legislative Network, and authored by Senator Wiklund and Representative Her. This bill provides rate increases crucial for sustaining current programs and preventing further loss in access to care. If the legislature does not immediately act on mental health rates, access to critical mental health services for some of the state's most vulnerable population will be at risk. Programming is not sustainable at existing outpatient mental health rates, let alone at decreased rates. It is important that the legislature enact legislation to address this funding gap during this session.

Thank you.

Sincerely,

Mark Peterson, RPh
Chief Executive Officer
Nystrom & Associates

Dr. Jason Reed, PsyD, LP
Chief Executive Officer
Reed Behavioral Health

Dr. John Brose, PHD, LP, LMFT, LADC
Chief Executive Officer
Associated Clinic of Psychology

Tom Johnson, PMHNP-BC, APRN, CNP
Chief Executive Officer
Lakeview Behavioral Health

Dr. Greg Picker, PsyD, LP
Chief Executive Officer
Natalis Counseling & Psychology Services

Erin Pash, MA, LMFT
Chief Executive Officer
Ellie Mental Health