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

Dear Chair Wiklund and Committee Members

On behalf of Vail Place, I am sending this letter to share the importance of investing in our Minnesota's Medicaid (Medical Assistance) rates for our mental health and substance use disorder services. **We ask the Committee and the Legislature to fix our behavioral health Medical Assistance rates by supporting Chair Wiklund's bill (sc0952-2).**

Vail Place is a Minnesota nonprofit dedicated to supporting individuals living with mental health challenges.

We have the only accredited Clubhouse community centers in the State and want to influence policies that would expand this model to every county.

We offer an array of programs that wrap around someone who is on the recovery journey. We prioritize prevention. That includes finding someone a home, focusing on their whole health, connecting them to employment opportunities, and walking alongside them as they navigate the mental health system. We focus on the strengths each individual brings and not the problems that have stood in their way.

Our relational approach supports individuals in a continuous way, not just when crisis occurs.

Mental illness strikes more families than cancer, lung disease, and heart disease. Our systems are not prepared to respond to the comprehensive needs someone has when mental illness emerges. Vail's cornerstone program, the Clubhouse, has no waiting lists, is at low or no cost to the recipient, has no invasive assessments, and offers a warm handoff to deeper end services when they are needed.

We continue to experience a more severe mental health and SUD care access crisis coming out of the global pandemic than ever before. At the root of this crisis is the lack of **sustainable reimbursement funding** for our mental health and SUD 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.

Out of necessity, 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.

Community mental health providers and programs are striving to keep up with the heightened need for mental health and SUD care, while being reflective and highly responsive to the individuals, families and communities we serve across the state. This work comes with many rewards and challenges. We have been working with the Legislature and the Department of Human Services (DHS) over the course of many bills and rates studies, most recently throughout last calendar year 2023.

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We deeply appreciate your passage of three (3) percent increase with an annual inflation adjustor last year. We are happy to learn the rates study that predicated this change is complete, and we are ready to support moving recommendations for investing in our rates structures to sustain our clients' access to critical mental health and SUD services. We currently receive around \$17.17 per fifteen minute unit for Housing Stabilization Services and \$408.22 per TCM service with MA.

We understand the current financial environment, and we know the full bill cannot be implemented all at once. We implore the legislature to help us start building a solution this year so we can scale up and phase in the full solution for our rates over the next several years.

Please help us move these recommended investments forward - this is foundational to solving our mental health and SUD crisis in Minnesota.

Sincerely,



Karina Forrest Perkins  
President and Executive Director