

Representative Melissa Wiklund, Chair
Senate Health & Human Services Committee
Minnesota State Senate
February 26, 2024

Dear Chair Wiklund and Committee Members:

On behalf of Central Minnesota Mental Health Center (CMMHC), I am sending this letter to share the importance of investing in Minnesota's Medicaid (Medical Assistance - MA) rates for our outpatient services. **We ask the Committee and the Legislature to fix Medical Assistance rates by supporting Senate File 1402.**

CMMHC is Benton, Sherburne, Stearns, and Wright counties' most comprehensive resource for mental health treatment, training, education, and information and is the region's only nonprofit Certified Community Behavioral Health Clinic (CCBHC). We provide a continuum of support that is clinically grounded and trauma-informed. Every integrated treatment or recovery plan respects the uniqueness of the individual in whatever state of their mental health - whether during a time of crisis or when mental health illness, anxiety, depression, stress, substance use, or everyday challenges prevent living the healthiest life possible.

Post-pandemic nearly one in four (1:4) Minnesotans are covered by Medical Assistance or MinnesotaCare, making our public programs the largest coverage for behavioral health services in the state. We continue to experience a more severe behavioral health care access crises coming out of the global pandemic than ever before. At the root of this crisis is the lack of **sustainable reimbursement funding** for the care delivered. Costs of delivering care and sustaining staff salaries, benefits, facilities infrastructure and meeting state regulations have increased exponentially in the last five years. But, Medicaid (Medical Assistance) reimbursements – the core source of funding for our MN system – are not keeping pace. The field continues to face a staffing crisis, attempting to meet the mental and chemical health needs of our community. This is directly related to MA rates that are not sufficient to cover the costs of recruiting and retaining quality Mental and Chemical Health Professionals. Data from DHS indicates that more and more professionals are leaving the field due to inadequate pay and the strain of caring of their ever-increasing caseload of clients.

Out of necessity, community providers are closing programs or significantly decreasing the size of their services in efforts to keep some base level of access to services available to clients. This is resulting in increasingly long waiting lists and longer periods of time clients are kept waiting for care. CMMHC, like many other mental health centers in the state of MN, made the difficult decision to close two programs. CMMHC is seeing significant growth in our waitlists. While we can quickly get clients into outpatient mental health services, many individuals seeking adult, family, and children's services may face wait times of up to six months. *This has led to a crisis of children boarding in emergency rooms, detention facilities and with counties AND a staffing emergency in outpatient care across the state.* Community mental health 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. In 2024, DHS released an outpatient rate study which was discussed in this committee last year. The study showed what we have known for some time: *MA reimbursement rates are extremely low compared to the cost of providing care.* SF 1402 builds on the steps the legislature has collectively taken over the past few years and implements the remainder of the recommendations in that rate study. This includes:

- Ensuring reimbursement rates for mental health and physician services that have an equivalent Medicare payment will be paid at least 100% of the Medicare fee schedule;
- Increasing community-based children's and adult mental health rates, and behavioral health home rates to the DHS study calculation, as these rates do not have an equivalent in Medicare;
- Ensures masters-level providers are reimbursed the same amount for delivering the same service as other clinicians; and
- Increases funding for hospital inpatient mental health services delivered to fee-for-service Medicaid enrollees.

We deeply appreciate your passage of increases in 2023 and 2024 with an annual inflation adjustor. 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.

Because we have left our rates unchanged for so long, these increases come with a significant cost. 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 continue building onto the good work done and completing the rate reforms the state needs this year.

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

Sincerely,



Jessica Brandon
Chief Executive Officer