

February 25, 2025

Chair Wiklund
Senate Health and Human Services
95 University Avenue W.
Minnesota Senate Bldg., Room 2107
St. Paul, MN 55155

Re: Support for SF 1402 (MA rate increases)

Dear Chair Wiklund and Members of the Senate Health and Human Services Committee:

We write in strong support of SF 1402 which would increase rates within the Medical Assistance program, strengthening the foundation of an essential program that provides health coverage for over one million Minnesotans across the state.

Medical Assistance reimburses at levels far below the cost of providing care. Low reimbursement rates for mental and behavioral health services in particular result in less access to timely and appropriate care, strained emergency departments, and undue hardship for patients and their families. Inadequate payment rates within MA also create reimbursement inequities between Medical Assistance and commercial plans.

The 2024 study by the MN Department of Health and Wilder Research underscored how limited community mental health service capacity results in transfer and discharge delays in emergency departments for patients with behavioral health conditions.¹ The study found the single most common factor leading to transfer and discharge delays for behavioral health patients was the lack of inpatient psychiatric beds. The study found that this same factor also accounted for the greatest number of discharge delay days.

SF 1402 would strengthen Medical Assistance reimbursement by simplifying and bolstering rates, incorporating several recommendations from the 2024 DHS Outpatient Services Rate Study. The bill makes a crucial investment in the state's Medical Assistance program, strengthening this essential program for Minnesotans across the state.

¹ [Transfer and Discharge Delays for Behavioral Health Patients at MN Hospitals, July 2024](#)

Thank you to Chair Wiklund for your leadership on this important issue, and we urge members of the committee to support SF 1402.

Sincerely,



Irene Fernando
Chair
Hennepin County Board of
Commissioners

HENNEPIN COUNTY
BOARD OF COMMISSIONERS



Jennifer DeCubellis
Chief Executive Officer
Hennepin Healthcare System



HennepinHealthcare