



April 8, 2025

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

On behalf of the Minnesota Department of Human Services, I want to thank you for your thoughtful and principled work to improve the access to and the quality of our health and human services system. Minnesota's Medicaid and MinnesotaCare programs are cornerstones of the state's system of health coverage, serving one in four Minnesotans living in every region of the state. Your leadership and collaboration over the years has helped Minnesota lead the nation in health care innovations.

Developing a budget this session was not an easy task. I commend you for identifying efficiencies in your proposed budget bill (SF 2669) that address the projected budget shortfall, as well as investments that will improve people's lives. I want to extend my gratitude for the inclusion of several of Governor Walz and Lieutenant Governor Flanagan's key budget priorities, including:

- **Making investments to prevent, detect, and address fraud** to strengthen the parameters of our system and root out bad actors. Minnesota is committed to helping our neighbors and fraud against public programs harms the people we're committed to helping.
- **Extending access to audio-only telehealth.** This investment ensures ongoing access to mental health services as well as preventative care, especially for people living greater Minnesota and younger populations.
- Recommitting to Minnesota's comprehensive long-term plan to **end new HIV infections and improve health outcomes for people living with HIV**. This investment acts as a stopgap measure to prevent further funding reductions across the state, including in Greater Minnesota and suburban regions where 56% of new diagnoses occurred in 2023.
- Funding the **operating adjustment for DHS** to ensure mounting cost pressures do not impact services delivered to Minnesotans.
- Expanding oversight to **increase the frequency of provider revalidation visits**. This proposal will require revalidation visits every three years, instead of every five years, for high-risk providers.
- **Enhancing background study disqualifications** and federal compliance to prevent bad actors from engaging with state programs and identifying fraud schemes that are being replicated across state systems.
- **Sustaining funding to access federal data sources** that verify eligibility for Minnesota Health Care Programs (MHCP) applicants and enrollees.
- Restoring the state's ability to manage the preferred drug list by **eliminating the sunset on the Drug Formulary Committee**.

We are excited to see **generous investments to increase Medical Assistance (MA) rates for physical and mental health services**, as well as investments in **Minnesota's school-linked behavioral health grants** and **MA mental health targeted case management for children**. We are also pleased to see funding for regional projects that

expand access to **Psychiatric Residential Treatment Facility** services for children and young adults. Lastly, we are appreciative of the inclusion of **Tribal and county-focused provisions** including transitioning to direct payments for Adult Mental Health Initiative (AMHI) and traditional healing grants.

As this bill continues to make its way through the legislative process, we hope to continue discussions about leveraging efficiencies such as carving out the pharmacy benefit from managed care to improve service delivery and fund service gaps in the health and human services system. We also hope to continue dialogue about data-driven approaches to fraud detection and prevention using modern technologies, including Artificial Intelligence (AI) and Machine Learning (ML) and case management.

In the meantime, our team will continue to analyze the bill and provide feedback and technical assistance. Thank you again for your dedication to supporting access to health for individuals and families in Minnesota.

Sincerely,



Shireen Gandhi
Temporary Commissioner
Minnesota Department of Human Services