



CATHOLIC CHARITIES
Twin Cities

Catholic Charities at Elliot Park
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March 31, 2025

Senator Ann H. Rest
Chair, Taxes Committee

Re: Medical Assistance Rates Reform Package (SF1402)

Chair Rest and Members of the Committee:

On behalf of Catholic Charities Twin Cities, I write to offer our support for SF1402, addressing Medical Assistance Rates Reform.

Catholic Charities is a leader of housing, emergency shelter, and direct services, serving more than 25,000 youth and adults annually. These services include our children's day treatment program, which operates in partnership with Minneapolis Public Schools to provide voluntary, year-round therapeutic services to grades K-8 students who have mental health needs or behavioral challenges that hinder academic progress and risk out of home placement.

Through a trauma-informed lens, children in day treatment receive skills development, individual and group therapy, and family education to build healthy relationships and learn new ways of managing difficult feelings and situations. With treatment and academics combined and co-located in a school setting, children receive care without leaving their community, reducing demands on more expensive hospital visits.

The need for community-based mental health care like this is increasing and, unfortunately, so are the challenges providers face to maintaining it.

Provisions included in SF1402 follow recommendations of the 2024 DHS Outpatient Services Rate study which provides a framework for the Medical Assistance rate structure that is needed now, and into the future, including:

- eliminating the 20% rate cut for services delivered by masters educated providers,
- streamlining and increasing Behavioral Health Home rates, and
- raising children's community based (HCPCS) mental health services.

Medicaid mental health rates for this community-based care have also been stagnant for years. We ask you to prioritize solutions to outpatient rates so that we can better provide the early intervention needed to ensure more children receive the support and skills they need to thrive in school and their communities.

With meaningful policy reforms and payment rates that reimburse for the true cost of care, we can ensure children receive the right care, at the right time, and in the right place. We ask for your support.

Sincerely,

Keith Kozerski
Chief Program Officer