



April 1, 2025
Senate Taxes Committee

Chair Rest and Committee Members:

On behalf of Children's Minnesota, we are writing in support of SF1402 which increases Medicaid reimbursement rates for mental health services, a foundational step to addressing the mental health crisis facing Minnesota children.

Children's Minnesota is the largest pediatric health system in the state serving more than 160,000 kids annually. We provide a continuum of mental health services including primary care, integrated behavioral health, outpatient and partial hospitalization services, crisis stabilization and acute inpatient care.

Despite efforts to expand the services we provide, there are still not enough mental health services in Minnesota to meet the current need. Children are waiting for months to access care, too often utilizing the emergency department as a last resort. In 2024 kids boarded at Children's Minnesota more than 1,200 times while waiting to access the community-based services they need, a substantial increase from the year prior. Included with this letter is a document that provides additional information specific to children boarding in our hospitals.

Just over 77% of the patients who have boarded with us and nearly half of patients receiving mental health services from Children's Minnesota rely on Medicaid. Currently Medicaid rates for mental health services are paid well below the cost of providing care which impacts the entire spectrum of mental health providers in the state. Across all our outpatient and inpatient mental health services we are reimbursed for less than half of our costs and, because costs continue to rise, that level of reimbursement is getting worse. The current rates are unsustainable, and on average we operate these vital services at a loss, severely limiting our ability to recruit and retain the staff needed to meet the growing needs of our patients and their families.

Children and families cannot spend another year waiting for a solution to the mental health crisis they are experiencing. Please support SF1402.

Sincerely,

Patricia Vitale
System Director Mental Health
Children's Minnesota

Jessica Brisbois, LICSW
Manager, Acute Mental Health Services
Children's Minnesota

A broken system: THE JOURNEY OF A CHILD IN CRISIS

SITUATION

10 year old brought to the emergency department by caregiver for behavioral concerns.*



Multiple diagnoses (ADHD, PTSD) with limited coping skills and challenges regulating behaviors.

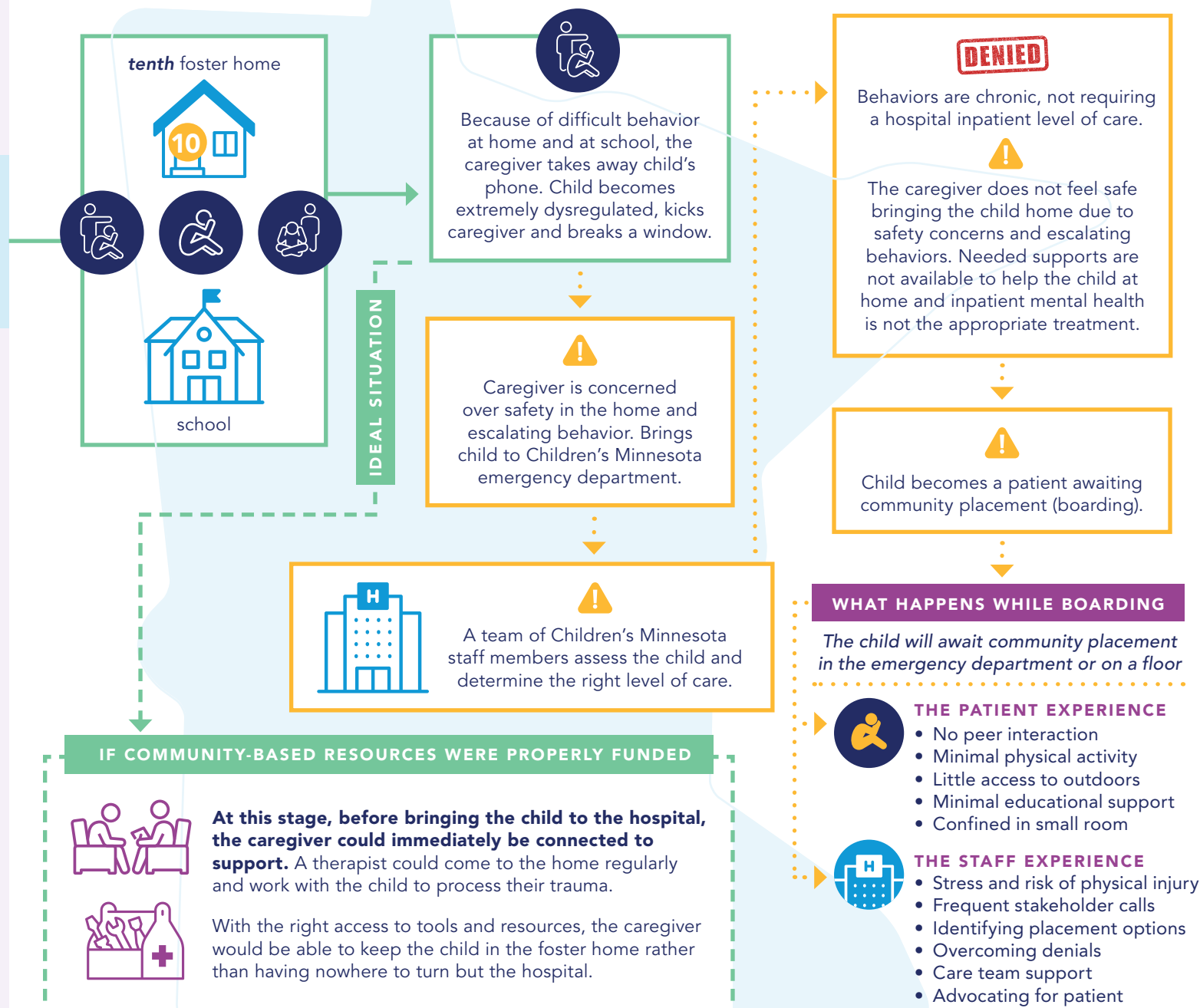
HISTORY

- Experienced past trauma, including witnessing domestic violence, parental substance abuse and was removed from birth family's care at 7-years old.
- Placed in 10 different foster homes.
- Verbally and physically aggressive when dysregulated, particularly towards caregivers.

For more information, please contact:

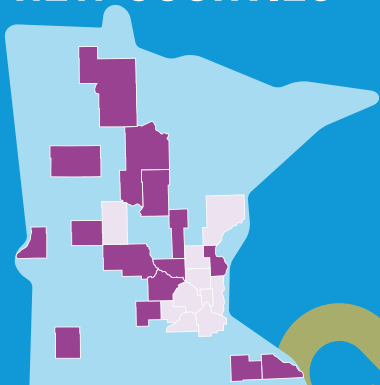
Amanda Jansen,
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PATIENTS IMPACTED BY THE BOARDING CRISIS

In 2024, we saw patients from
16 NEW COUNTIES



+1 OUT OF STATE

MOST IMPACTED GROUPS

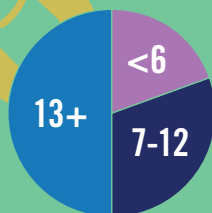
African American/Black
Caucasian/white
Multi-race

THIS HAS A WIDE
IMPACT ON ALL
COMMUNITIES

77.4%

are reliant on

MEDICAID



**PATIENT
AGES**

In 2024, kids boarded
at Children's Minnesota

1200+

TIMES

a substantial increase from 2023

54%

are under guardianship

OF THE COUNTY

In 2025, state leaders must focus on policy changes to help children with the most complex behavioral health needs. Significant investments are needed to improve access to the continuum of mental health care, including increasing Medicaid reimbursement rates and alleviating the boarding crisis.



COMMON CHARACTERISTICS AMONG PATIENTS BOARDING:

- Multiple past placements
- More than 3 hospital visits over the past year
- Neurodivergent, developmental delay, low level of functioning
- History of aggression, sexualized behaviors, running away
- Chronic self-harm, substance abuse
- Multiple medical conditions

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