2023 Legislative Recommendations
Mental Health Addendum

Strong Investment Needed in State's Mental Health System*

The MICA Board of Directors urges the Legislature to provide funding to address investment in services and infrastructure needs for community mental health services.

The funding and infrastructure to serve Minnesota's mentally ill is sadly lacking and worsening. Counties must budget for increases in contracts so providers can retain staff; however, county allotments largely remain the same or, in some cases, have decreased. The absence of adequate resources is particularly acute for those suffering a mental health crisis. Community recovery supports are inadequate, including employment, housing, community living, and peer supports.

The Legislature's response to the absence of adequate resources at the state level has been to shift the costs of mental health inpatient hospital services to counties. Beginning in 2013, and again in 2015, the Minnesota Legislature enacted a cost shift where counties are responsible for a portion of the cost of care when a person no longer meets medical criteria to remain in a state facility. Most recently, the 2021 Legislature required that the cost of Child and Adolescent Behavioral Health Hospital (CABHH) beds for children are also subject to the 100% cost of care and are to be billed to the counties when "does not meet criteria" ('DNMC') occurs - even though there are no beds for these children that are appropriate to meet the needs/levels of care. This cost is variable based on the facility current rates are $1,615 (AMRTC), $1,644 (CBHH), and $2,473 (CABHH).

MICA supports:

1. Funding to address infrastructure needs for community mental health services.
2. Infrastructure equity through the infusion of additional funds for service expansion so that current service infrastructure is maintained, protected and increased to provide adequate resourcing to meet the current needs.
3. Ongoing funding for services related to crisis residential centers funded through the 2018 and 2020 bonding bills.
4. Additional bonding dollars for the expansion of crisis residential centers and IRTS facilities.
5. Establishment and funding of statewide Children's Mental Health Initiatives to build service infrastructure and supports.
6. The creation of a Medical Assistance (MA) benefit for children's mental health services.
7. Addressing the eligibility gap between the Elderly Waiver (EW) and disability waivers for older adults with significant mental health needs by adding behavioral health support services and a higher funding level for people on the EW who have high behavioral health needs.

Bonding for Intensive Residential Treatment Services (IRTS) Facilities

The MICA Board of Directors urges the Legislature to bond for the rehabilitation or new construction of mental health facilities that will increase the capacity of Intensive Residential Treatment Services (IRTS) throughout the state.

Mental health providers are seeing marginal revenues due to increased staffing costs as a result of serving those with a higher acuity and poor Medical Assistance (MA) rates. This results in a lack of available beds and conditions in current settings that have a significant need for improvement. As an example, shared bed and private spaces are not always conducive to supporting diverse populations.

Improvements are necessary for many of our current providers' facilities. These improvements would allow for greater access to services and better integration into our care system. This would be done through a potential expansion in the number of residential treatment beds, and improved telehealth systems.

This priority aims to provide communities with the ability to offer or improve residential treatment options to the adults experiencing mental health symptoms in their areas. This is relevant as we aim to address the needs of individuals presenting across systems with more complex symptomology. Improvements are needed to care for individuals in the community-based settings and to provide community response to the challenges facing our mental health delivery system.

From August 19, 2020, to February 1, 2021, the percentage of adults with symptoms of an anxiety or a depressive disorder within the past seven days increased significantly (from 36.4% to 41.5%), as did the percentage reporting that they needed but did not receive mental health counseling or therapy. Hospitals are pressured for faster discharges to community-based settings - such as IRTS facilities. This put added pressure on our IRTS system.

This pressure is seen in the number of available communities in which IRTS beds are not available. This has led to shifts in the staffing models of many providers, which has created a higher cost to providing the service to those in need.

Establishment and Funding of Statewide Children's Mental Health Initiatives to Build Service Infrastructure and Supports

Using AMHI grant funding as a model, the MICA Board of Directors supports similar investment in children's mental health.

While services to address the acute mental health needs of both adults and children are lacking in Minnesota, there is a stark deficit in the state's investment in community-based services for children. The development of the Adult Mental Health Initiatives (AMHI), dating back to 1995, have provided basic community service infrastructure to adults experiencing mental illness.

This investment paved the way for deinstitutionalization of adults with serious and persistent mental illness and empowered local mental health authorities to design and implement programs that assist people to remain successfully in the community. Conversely, there is not a similar model or investment for a community-based infrastructure supporting Minnesota's children in need of mental health care. The AMHI construct has been deemed essential by local mental health authorities and serves as a successful financing and infrastructure building model that could be mirrored to support children in need of community mental health services, thus reducing the reliance on acute or hospital level of care for many children in crisis.

Additionally, more Psychiatric Residential Treatment Facilities (PRTF) beds and other acute care facilities need to be developed to serve those children with high needs who are often now stuck in hospitals and/or placed out of state because there are no beds available in the State of Minnesota.

Medical Assistance Benefit for Children's Mental Health Services

The MICA Board of Directors urges support for legislation to create a Medical Assistance (MA) benefit for services provided to individuals 0-18 years of age who are experiencing mental health crises. These services have historically been offered to adults in Minnesota.

Many children and youth face difficult mental and behavioral health symptoms each day. The current service delivery landscape does not offer a community-based solution to address the needs of many families. The results are higher episodes of care in emergency departments or in higher-end residential programs. One solution to this issue is to create an MA benefit for community-based residential stabilization services for youth. This could be adapted from a benefit currently offered to adults in Minnesota. Examples of services that could be offered, but are not limited to, include:

- 24-hour on-site staff and assistance.
- Assessment of the client's immediate needs and factors that led to the crisis.
- Individualized treatment to address immediate needs and restore the client to pre-crisis level of functioning.
- Supportive counseling.
- Skills training as identified in the client's individual crisis stabilization plan.
- Referrals to other service providers in the community, as needed, and to support the client's transition from residential crisis stabilization.
- Room and board (for clients enrolled in MA only).

Address Eligibility Gap Between Elderly Waiver and Disability Waivers For Older Adults with Significant Mental Health Needs

The MICA Board of Directors requests that the Legislature address the eligibility gap between the Elderly Waiver (EW) and disability waivers for older adults with significant mental health needs by adding behavioral health support services and a higher funding level for people on the EW who have high behavioral health needs. MICA further requests that the Legislature refrain from adopting waiver caps as a cost-saving measure.

Programs serving older adults, including the Elderly Waiver (EW) and Alternative Care (AC), have historically focused on supports and services for physical health issues related to limitations with activities of daily living. They have lacked the programming and services needed to properly serve people with mental health needs (e.g. SMI, SPMI). Adult programs for those 65+ are increasingly seeing people who are new to home and community-based services (HCBS).

When 65+ with high behavioral health needs individuals enroll in HCBS services, they are not eligible for the same funding allocations as they would be if they had enrolled for services when they were 64 – despite identical results through the MnCHOICES assessment process. Because funding allocations are directly related to the services one is able to access, in terms of both quality and quantity, people 65+ cannot access the supports they need to live safely and with dignity in our community.

Counties are seeing more adults 65 and older waiting months in hospitals or regional treatment centers, as their teams are unable to identify residential or community-based programs that will serve them. For a person with high behavioral health needs and low funding allocations, residential providers who do accept them tend to discharge them within a few months when they find that they cannot be compensated for the additional staffing needed to support the person, or they are ineligible for specialty services that might help (e.g. behavioral supports and independent living services). Counties cannot support older adults who have significant mental health issues in the current system, resulting in poor quality of life, inappropriate placements (e.g. hospitals, jails, etc.) and lack of long-term housing stability. Because this issue is created by state eligibility and funding rules, it is an issue that only the state can solve.

The numbers of older adults with complex medical and psychiatric needs continue to rise, as is reflected in the increasing number of civil commitments for seniors in recent years. Individuals who are 65 and over should have the same access to long-term services and supports (LTSS) as individuals who are 64 and under. People needing this higher level of funding may be small, but those who do have a significant need. When they no longer meet level of care for regional treatment centers or hospitals, these institutional stays continue and become very expensive, because individuals' support teams struggle to find a residential placement able to accept the person's low EW funding rate. Although counties see few of these scenarios per year, the time and attention they require consume a large amount of county, DHS, health plan and hospital staff time.

As an example, in the past year, one member county served one individual who has been moved into four different residential settings across the state. Every provider has issued a service termination - expressing that they were not equipped to address the individual's complex behavioral needs at the rate provided. This individual also experienced multiple hospitalizations, is facing criminal charges and spent several days in jail. The most unfortunate part of this example is that the quality of life for this individual has been greatly diminished by the instability of their living settings. When reviewing the resources available, we see that they would be eligible for approximately five times as much funding for the placement through CADI ($154/day on EW; $650/day on CADI). When this individual was accepted into the state operated "safety net" program by Direct Care and Treatment, their support needs were assessed to require a daily rate of over $1,000 per day. However, the funding they are eligible for, based on the EW funding rate, is $154 per day.

MICA requests that the Legislature add a higher funding level for people on the EW who need these very high behavioral health supports. We request that additional services better addressing behavioral health needs be added to the Elderly Waiver and Alternative Care Waiver, namely behavioral supports, and independent living services. We request a change to Minnesota Statutes allowing a period of time beyond a person's 65th birthday to access disability waiver programs if, based on need, it is deemed appropriate. Finally, as illustrated, there is a growing need for waiver services. Waiver caps should not be adopted as a cost-saving measure.