Minnesota Association of Resources for Recovery and Chemical Health (MARRCH)

Our 2025 legislative priorities were identified and developed by more than 240 SUD professionals across the state.

2025 LEGISLATIVE PLATFORM

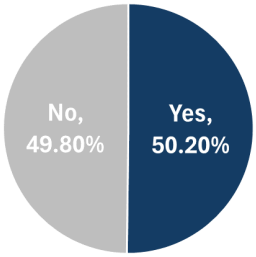
ISSUE: Substance use disorder (SUD) is a chronic disease. Minnesotans deserve quick access, and ample support throughout their recovery journey. Programs need adequate funding to maintain appropriate staffing levels to deliver life-saving care.

BACKGROUND: The SUD field has rapidly evolved since 2017, with program standards shifting to statute 245G, the 1115 Waiver becoming a mandate, and a push towards ASAM standards. The COVID pandemic, social justice efforts, and workforce crisis add additional challenges. While adopting evidence-based practices aligned with ASAM is positive, timing and cost of implementation are crucial considerations.

Any further delays in addressing SUD rates will result in more burnout and program closures. With overdose deaths at an all time high, we are at a critical breaking point and need immediate and long-term relief.

We received survey data from more than 620 SUD workers in MN, focusing on stress, burnout, and hope.

BURNOUT: In the past 12 months, have you considered leaving the SUD field?



"Understaffing is the single most detriment to providing the best quality of care."

STRESS: When asked what the one thing is that causes the most stress, the top 4 answers were:

- Caseload/Program needs
- Paperwork
- Not enough staff/inexperienced
- Client Acuity

"High caseloads and turnover "water down" the quality of care, which contributes to clients relapsing and needing to return to treatment, or worse."

THE FACTS

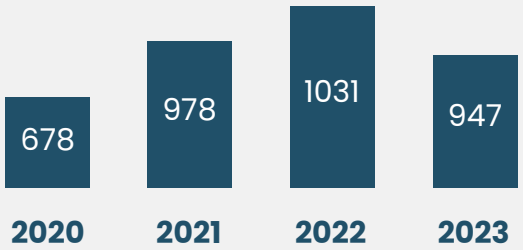
Rates = Fast Change = Slow Help = NOW!

Net loss of 47 licensed SUD providers over last three years. More than 40% of these closures happen outside of the 7 county metro area. Closures in Greater MN have a significant impact on access.

Treatment Works - Recovery IS Possible

SUD treatment is a good investment. Every dollar spent on treatment saves $7 through reduced crime and $12 in avoided health care costs.

Opioid Overdose Deaths in MN *(according to MDH)*



Contact Us (651) 290-7462 www.marrch.org

Minnesota Association of Resources for Recovery and Chemical Health (MARRCH)

LEGISLATIVE OVERVIEW

POLICY (SF1966/HF1963)

- MCO clawback to reset timely filing clock *(Section 1)*
- RCO program closure requirements *(Section 2)*
- DA timelines to exclude weekends and holidays *(Section 3)*
- County of Financial Responsibility for Withdrawal Management is the county of residence *(Section 4)*

FUNDING (SF1826/HF1994)

- Cleans up existing language *(Section 1)*
- Increases SUD rates increases at 100% of Burnes & Associates recommendations *(Section 2)*
- Automatic inflation adjustment *(Section 3)*
- Cleans up redundant cross reference to SUD in mental health reimbursement *(Section 4)*
- Article 2 has recodifying instructions from Senate Counsel

FUNDING (SF1827/HF1995)

- Eliminates CD (SUD) Assessment Surcharge for people with DWI *(Section 1)*
  - Language exempts people with income eligibility for MA/BHF to pay for an assessment
- Revisor instructions to modernize 'chemical dependency' language in Chapter 169A *(Section 4)*

RESOURCES

Legislative Report Outpatient Services Rate Study

DHS presentation on Outpatient Services Rate Study

ABOUT MARRCH

About MARRCH is a professional association of addiction treatment professionals and organizations striving to raise awareness about addiction and the power of recovery. We represent more than 150 agencies/organizations and more than 2,500 individuals (Licensed Alcohol and Drug Counselors, students, other behavioral health professionals) with members in every region of Minnesota.

As a collective body, MARRCH works to educate, support and guide individuals and agencies while speaking with a unified voice in public policy venues.

HOW ELSE CAN I GET INVOLVED

1. MARRCH members can get involved in any of our many topic specific committees or workgroups. View the MARRCH committees and workgroups here.
2. Find out which elected officials represent you here.
3. Send any inquiries on how to get more involved to Brian Zirbes at executivedirector@marrch.org.

Contact Us (651) 290-7462 www.marrch.org

MARRCH

Driving Excellence in Addiction Care

To: Chairs Schomacker and Noor; House Human Services Finance and Policy

From: Brian Zirbes, MARRCH Executive Director

Subject: Support for HF1963, HF1994; and HF1995

Date: March 20, 2025

MARRCH, the statewide trade association for Substance Use Disorder (SUD) programs and professionals, represents thousands of dedicated individuals and organizations committed to providing life-saving care to Minnesotans. Through education, training, advocacy, and public policy engagement, we support the critical work of our members and the countless lives they touch each year.

We are grateful to the leadership and dedication to author Representative Frederick and co-authors Baker, Hicks, Fisher, and Virnig. We look forward to continued work and support of this committee on these important bills. For over a decade, SUD providers have endured numerous rate studies, each shining a spotlight on the chronic underfunding of these essential services. The most recent study by Burnes & Associates offered a glimmer of hope, with data-backed recommendations reflecting the true cost of delivering care under the American Society of Addiction Medicine (ASAM) Levels of Care. Despite broad consensus on the accuracy of these findings and the urgent need for change, this budget overlooks the crisis.

HF1994 SUD Rates bill

- section 2 seeks to implement the SUD rates from the outpatient study at 100% of the modeled rate. Investments in SUD treatment has a great return on investment to individuals, families, and society.
- The bill also includes language in section 3 for an annual automatic inflation adjustment so rates do not get behind again.

HF1995 Eliminates the Chemical Dependency (SUD) Assessment Surcharge for people with impaired driving offenses.

- Section 1 would exempt people with income eligibility for Medical Assistance or the Behavioral Health Fund to pay a provider for an assessment.
- Sections 2 and 3 will be removed via an author's amendment.

- Section 4 seeks to update statute 169A from using outdated language regarding 'chemical dependency.'

HF1963 SUD policy bill.

- Section 1 seeks to clarify that when a Managed Care Organization does a claw back, that the timely filing clock needs to reset.
- Section 2 would mirror program closure requirements for Recovery Community Organizations to the same requirements for DHS licensed programs.
- Section 3 would change Diagnostic Assessment timelines in co-occurring enhanced programs changed to exclude weekends and holidays.
- Section 4 clarifies that the County of Financial Responsibility for Withdrawal Management is the county of residence, same as the current determination for residential treatment.

We have appreciated the ongoing work and collaboration with DHS policy and legislative staff, MACSSA's Behavioral Health Committee, partners in the Mental Health Legislative Network, and many other stakeholders and advocates in developing these proposals.

We know that treatment works and recovery is possible! By addressing the funding disparities and supporting the dedicated providers on the frontlines, Minnesota can reaffirm its commitment to the health and well-being of its citizens. We ask for your leadership and action to ensure that these life-saving programs are not just sustained but strengthened for the future.

Thank you for your time and consideration. We stand ready to assist and provide any further information to support these critical changes.

NAMI
National Alliance on Mental Illness
MINNESOTA

1919 University Ave. W, Ste. 400, St. Paul, MN 55104 | 651-645-2948 | namimn.org

March 18, 2025

Dear Members of the Human Services Finance and Policy Committee:

NAMI Minnesota, alongside our partners in the Mental Health Legislative Network, strongly supports HF 1994, HF 1995, and HF 1963.

Substance Use Disorder care is a critical part of the mental health system. Nationwide, 34.8% of adults with a mental illness also have substance use disorder (SUD), and 46.6% of adults with a serious mental illness have a co-occurring SUD. That's a total of 20.4 million adults in the United States with co-occurring disorders. The combination of SUDs and mental illnesses "results in more profound functional impairment; worse treatment outcomes; higher morbidity and mortality; increased treatment costs; and higher risk for homelessness, incarceration, and suicide than if people had only one of these disorders," according to the Substance Abuse and Mental Health Services Administration.

Current best practices indicate that most people should receive treatment for *both* their substance use disorder(s) *and* their mental illness(es). Tragically, only 18.6% of adults in the U.S. do.

It takes many people a long time to seek help for a substance use disorder, so it's crucial that treatment is available for them once they are ready to take that step. Just like mental illnesses, SUD recovery is not linear – most people will need treatment on an ongoing basis or at several different times over the course of their lives. But Minnesota SUD service providers do not have the capacity to meet that need. HF 1994 would reimburse SUD providers at rates that cover the cost of the treatments they provide, so they can recruit and retain qualified staff and keep their doors open and their lights on.

HF 1963 would create policies to clarify and streamline SUD professionals' regulations and payment processes, ensuring they are compensated properly for their services and giving them more time to complete paperwork so they can be more thorough with their clients and have streamlined services, making services more accessible and higher quality. It would also create the same accountability measures for clients at Recovery Community Organizations facing closure that patients in other facilities already have, creating more equity for people with SUDs.

According to the Department of Human Services' own study, SUD rates have been catastrophically low – lower than physical health and even mental health reimbursement rates. We know the budget is especially tight this year – but Minnesotans cannot wait any longer for lifesaving SUD services.

We urge you to pass all three bills. Thank you for your consideration.

Sincerely,

Sue Abderholden, MPH	Elliot Butay	Sarah Knispel, LGSW
Executive Director	Senior Policy Coordinator	Public Policy Coordinator

Source: Substance Abuse and Mental Health Services Administration. (2024). *Key substance use and mental health indicators in the United States: Results from the 2023 National Survey on Drug Use and Health* (HHS Publication No. PEP24-07-021, NSDUH Series H-59).

SANFORD HEALTH

To: Chairman Schomacker, House Human Services Finance and Policy

From: Sanford Behavioral Health of Bemidji and Park Rapids

Subject: Support for HF1963, HF1994; and HF 1995

Date: March 18, 2025

Sanford Behavioral Health houses within the umbrella many behavioral health services including substance use disorder outpatient treatment programs and medication for opioid use disorder (SUD) programs. We are on the front lines working with patients who are suffering from substance use disorders of all kinds in Beltrami, Clearwater, Hubbard and Cass Counties. The above-mentioned bills would serve our patients in our programs and relieve some of the disparity of our patients but also would make rendering these services more sustainable over time.

HF 1994: The rate increases that we have seen over the years providing SUD treatment have been dismal at best, especially in comparison to the rates of inflation, cost of living and increase of wages for service providers. An annual automatic inflation adjustment would make programs more sustainable in the long-term endeavor of serving an impoverished area (HF1994). Additionally in the rural area that we are rendering these services in, it is difficult to sustain a living wage and retain what few qualified professionals that we have. A wage increase would make our programs more sustainable but also give programs a vehicle for retention of qualified staff.

HF:1995: Sanford behavioral health of Bemidji and Park Rapids SUD program has witnessed firsthand the negative loop that patient's experience based upon the current guidelines of MA and BHF not paying for assessments if that patient has gotten charged with a DWI or DUI. The first point we would like to make is that the assessments after a DWI/DUI charge are court ordered and as such become a barrier to complying with probation after such an offense. If a patient is unable to pay their assessment fee out of pocket, it lends to the program to either write off the cost, utilize grant funds or deny the service. This is not in line with any other medically necessary service. If there was a car accident after a DWI/DUI, physicians would still treat and bill the patient's insurance. We support the proposed changes to the language and sections 2 and 3 to be removed.

HF1963: We further support the proposed changes of this house file to be in line with other statutes, policies and certifications. It is incredibly difficult to remain in compliance that all systems required (245G, CCBHC, Joint Commissions, Filing and Billing) when there are discrepancies and different timelines required. Portions of SUD and the billing components need to be updated to integrate into the other requirements that statutes set forth and to gain fidelity across systems.

We sincerely support the proposed legislative changes for SUD and if there are any questions, feel free to reach out to us.

Thank you for your time and consideration as we all work together to "Grow the Good".

SANFORD HEALTH

Sincerely,

Melinda L Broden, MA, LADC, LPCC

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WOODLAND CENTERS

Providing Hope, Inspiring Change

March 20, 2025

REPRESENTATIVE JOE SCHOMACKER, CHAIR

HUMAN SERVICES FINANCE AND POLICY COMMITTEE

MINNESOTA HOUSE OF REPRESENTATIVES

Chair Schomacker and Committee Members,

On behalf of Woodland Centers, I am sending this letter to support regulatory relief and investment in Minnesota's Substance Use Disorder services and programs. HF 1194 (SUD Rate Reform), HF 1995 (DWI Assessment Fee Waiver) and HF 1963 (SUD Regulatory Relief) bills represented necessary and essential changes to sustain the SUD services in Minnesota.

Woodland Centers is a private non-profit 501(c)(3) comprehensive community mental health and substance use provider established in 1958. We serve seven rural counties in the west central region of Minnesota – Chippewa, Big Stone, Kandiyohi, Lac Qui Parle, Meeker, Renville, and Swift. Woodland Centers catchment area encompasses approximately 5000 square miles with a population of approximately 114,000. Approximately 75% of the clients served at Woodland Centers are enrolled in Minnesota Health Care Programs and another 15% are enrolled in Medicare. Approximately 90% of our clients are eligible for sliding fee scale reductions and around 85% of these individuals are provided a 100% sliding fee scale reduction. Woodland Centers serves approximately 5,000 unduplicated individuals each year ranging in age from toddlers to the elderly.

Post-pandemic nearly one in four (1:4) Minnesotans are covered by Medical Assistance or MinnesotaCare, making our public programs the largest coverage for behavioral health services in the state. We continue to experience a more severe behavioral health care – mental health and substance use disorder - access crises coming out of the global pandemic than ever before. At the root of this crisis is the lack of **sustainable reimbursement funding** for the care delivered. Costs of delivering care and sustaining staff salaries, benefits, facilities infrastructure and meeting state regulations have increased exponentially in the last five years. But, Medicaid (Medical Assistance) reimbursements – the core source of funding for our MN system – are not keeping pace.

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Out of necessity, our community providers are closing programs or significantly decreasing the size of their services in efforts to keep some base level of access to services we can available to our clients. This is resulting in increasingly long waiting lists and longer periods of time clients are kept waiting for care. *This has led to a crisis level of lost SUD programs for adults, adolescents, children and families AND a staffing emergency in outpatient care across the state.* This work comes with many rewards and challenges. We have been working with the Legislature and the Department of Human Services (DHS) over the course of many bills and rates studies. In 2024, DHS released an outpatient rate study. The study showed what we have known for some time: *MA reimbursement rates are extremely low compared to the cost of providing care.* HF 1194 builds on the steps the legislature has collectively taken over the past few years and implements the remainder of the recommendations in that rate study.

Additionally, delivering SUD care in this environment means navigating a complex web of state regulations governing substance use services. While we are committed to expanding our programs to meet the evolving needs of our communities, unnecessary regulatory burdens make it increasingly difficult to provide integrated, holistic, and accessible substance use care.

HF1963 is a crucial step toward modernizing and streamlining regulations, ensuring that providers like Woodland Centers can focus on what matters most—patient care.

We deeply appreciate your passage of increases in 2024 to residential services. We are ready to support moving recommendations for investing in our rates structures to sustain our clients' access to critical mental health and SUD services. Because we have left our rates unchanged for so long, these increases come with a significant cost. We implore the legislature to help us continue building onto the good work done and completing the rate reforms the state needs this year.

Please help us move these recommended investments forward - this is foundational to solving our mental health and substance use disorder crisis in Minnesota.

Sincerely

Ashley Kjos, Psy.D., L.P.

Chief Executive Officer

Woodland Centers