



Minnesota Children's Residential Mental Health Treatment Prompt Passage of Deficiency Funding

The Issue – Children's Residential Mental Health Services are no longer Medicaid-eligible

As of May 1, 2018, most of Minnesota's Children's Residential Mental Health treatment facilities have been designated as IMDs (Institutes for Mental Diseases) by CMS (Centers for Medicare and Medicaid Services) meaning that children served by these facilities are no longer eligible for federal Medicaid funding. This is a marked change since CMS approved Minnesota's use of Medicaid for these programs in 2001.

Legislative Politics

In anticipation of this potential designation by CMS, the 2017 legislature provided bridge funding for this critical service – to be used only when Medicaid funds were no longer available. May 1, 2018 was the first day that state funding from the 2017 appropriation of \$4.2M was accessed to cover the funding gap. Unfortunately, funds appropriated during 2017 session for Children's Residential did not cover the full biennium, leaving May-June, 2019 without funding. The 2018 proposed Budget Omnibus included funding to cover those two months, but the bill was vetoed.

The Need – Funding for Children's Residential Mental Health through FY2019

State funding is required for the final two months of the 2018-2019 biennium to support children and youth in need of Residential Mental Health Treatment in Minnesota. Without this critically needed state resource, counties, providers - and most importantly children and youth with significant mental health treatment needs - face further instability by not having clearly designated resources to support vital mental health treatment.

The most recent fiscal analysis calculated the funding gap at a total of \$550,725.

Assuring Access requires Jan 2019 Deficiency Funding

Leadership from the administration and legislature must prioritize early action during the legislative session to resolve funding instability within the current 2019 budget year. Prioritizing passage of deficiency funding will demonstrate commitment to children, youth and families in need of residential mental health treatment, and, create a new foundation for future proposals to resolve ongoing funding and service needs.