

# Working Together to Find Long-Term Solutions for Funding Children's Mental Health

Minnesota faces possible funding changes for certain children's mental health facilities, which could leave counties shouldering the entire cost of treatment.

## Overview

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- Since 2001, the Centers for Medicare and Medicaid Services (CMS) has allowed Minnesota to receive federal Medicaid matching funds on residential mental health treatment for children on Medical Assistance.
- CMS is now requiring Minnesota to designate children's residential mental health treatment programs with over 16 beds as Institutions for Mental Disease (IMD).
- Programs that are determined to be IMDs will no longer be able to receive federal Medicaid funding.
- CMS gave DHS until January 2018 to complete its review of all children's residential mental health treatment programs in the state.
- DHS found that there are 11 children's residential treatment programs with a combined total of 580 beds that are considered IMDs.

## Short-term solution

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- The 2017 legislature authorized state funding to cover the children's mental health treatment programs that are determined to be an IMD.
- In addition, funding was included for an in-depth analysis and recommendations for how to redesign Minnesota's continuum of intensive mental health services for children and adolescents in order to ensure the well-being of children and maximize federal participation.

## The challenge ahead

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- However, the authority to cover these services with state funding is only authorized through April 30, 2019. Without further action counties would bear 100 percent of the cost for children in these 11 intensive residential settings once this authority expires.

## How treatment for children in a Rule 5 mental health program are paid:

<b>Private pay</b> <ul style="list-style-type: none"> <li>• Insurance</li> <li>• cash</li> </ul>	<b>Public pay:</b> <ul style="list-style-type: none"> <li>• Fee-for-service</li> <li>• Managed care</li> </ul>
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## Treatment for children in the 11 Rule 5 mental health programs that have been determined to be an IMD:

<b>Pre-IMD Determinations</b>	<b>Fee-for-service</b> <ul style="list-style-type: none"> <li>• 50% Federal</li> <li>• 50% county</li> </ul>	<b>Managed care</b> <ul style="list-style-type: none"> <li>• 50% Federal</li> <li>• 50% State</li> </ul>
<b>Until April 30, 2019, with Program IM</b>	<b>Fee-for-service</b> <ul style="list-style-type: none"> <li>• 50% State</li> <li>• 50% county</li> </ul>	<b>Managed care</b> <ul style="list-style-type: none"> <li>• 100% State</li> </ul>
<b>After May 1, 2019, if no action is taken</b>	<b>100% county regardless of a child's insurance status.</b>	

## Who is affected by these changes

<p><b>Children:</b></p> <p>For the time being, these changes do not affect children and the care they receive.</p>	<p><b>Providers:</b></p> <p>Eleven children's residential mental health treatment programs have been notified as to their being designated as an IMD. For these programs, the changes do not reduce their payment rates.</p>	<p><b>Counties:</b></p> <p>If nothing after April 30, 2019, counties will be responsible for 100 percent of the children's intensive mental health care.</p>
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