



Minnesota Hospital Association

Minnesota's Mental Health System is in Crisis

Overview:

Minnesota's mental health care system is in crisis, and many Minnesotans are not receiving care when and where they need it. Without continued policy emphasis and additional funding, access will remain inadequate; the available workforce will remain insufficient; and the struggles to find appropriate, effective, convenient, and affordable services will continue to grow.

Minnesota Impact:

More than 800,000 adults in Minnesota have a mental illness, and nearly 200,000 of those adults did not receive needed mental health care.

Minnesota made an important step to address this shortage with landmark mental health legislation in 2021. But more than this must be done.

As things are now, hospitals have become the default mental health crisis provider, in part, because of their always-available 24/7 emergency departments. Community resources are lacking, so hospitals are called on to fill the void. This is not always the most appropriate

resource for patients in a mental health crisis. Both the counties and the state need to recognize that they have become overly reliant on hospital resources, while not providing care reimbursement for these individuals.

These are complex issues that require both policy changes and additional funding to address the growing demand for mental needs in Minnesota. In a rate study released in 2024, the Minnesota Department of Human Services (DHS) clearly identified the underpayment of mental health services. This is a barrier to meet patient demand and to sustain the critical mental health workforce.

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Policy solutions:



Seeking improvement of payment rates for mental health services. State and federal public health programs – including Medicare, Medicaid, and MinnesotaCare, as well as commercial health insurers – must increase reimbursement rates for mental and behavioral health services.



Increasing the availability and staffing of Psychiatric Residential Treatment Facilities (PRTFs) that offer residential mental health services for adolescents who do not require inpatient services but still need a high level of care.



Extending coverage of audio-only telehealth services. In 2021, the legislature expanded Medicaid and MinnesotaCare coverage for audio-only telehealth services through July 1, 2025, and directed the state agencies to conduct a study and develop recommendations on future coverage. In the 2025 session, we must remove this sunset so that Medicaid patients can continue to receive this valuable service.



Funding Emergency Psychiatric Assessment, Treatment, and Healing (EmPATH) units. EmPATH units provide an alternative to an emergency room for individuals experiencing a mental health crisis, and are proven to reduce hospital admissions. However, they are not currently eligible for Medicaid funding and usually require substantial subsidies from hospitals that are willing to establish such programs.

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