

Congress of the United States
Washington, DC 20515

July 1, 2015

Andy Slavitt, Acting Administrator
Centers for Medicare and Medicaid Services
Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Acting Administrator Slavitt:

We write to you regarding an issue between the Center for Medicare and Medicaid Services (CMS) and Minnesota's mental health service providers.

A recent communication from CMS to the Minnesota Department of Human Services has indicated concerns about the use of federal Medicaid dollars for treatment services provided to children in residential treatment centers.

When the Medicaid program was established in 1965, it excluded federal payments to Institutions for Mental Diseases (IMD) defined, in part, as facilities with over 16 beds. In 1972, an exception to the IMD exclusion was established for individuals under the age of 21 in certain larger settings, including inpatient psychiatric hospital services, psychiatric units of general hospitals, or psychiatric residential treatment facilities (PRTFs). In addition, the Secretary of Health and Human Services has the authority to determine "other settings" allowed under the inpatient service benefit.

In submitting its state plan amendment in 2001, Minnesota, in consultation with CMS, carefully considered options available within Medicaid to ensure federal financial participation (FFP) for mental health services for children. The choice was between establishing PRTFs, allowed under the inpatient psychiatric service benefit, or funding mental health treatment services under the rehabilitation option.

Minnesota decided to go with the rehabilitation model, which allows for any medical or remedial service recommended by a physician or other licensed practitioner for maximum reduction of physical or mental disability. The state felt that the inpatient model would have limited placements to only the highest level of sub-acute care and increased costs to the providers and the government. Under the rehab option, the treatment services still receive FFP. CMS approved the state plan amendment, which has been in place since 2001.

The recent letter from CMS raises the concern that FFP could be immediately cut off, leaving children in need of services with few options. Minnesota has had an effective array and continuum of care and services for children with mental illnesses for over a decade. These services have been developed over many years to effectively meet the individual and unique needs of children, adolescents and their families in the state.

We respectfully request that Minnesota be allowed to maintain its current practice of funding mental health services as was approved in 2001. We also request that CMS work with stakeholders to better define the term "other settings" allowed under the Medicaid inpatient psychiatric hospital service benefit, as well as review how it applies the IMD definition in the current mental health system. Finally, we ask that CMS consider how Minnesota has used "other settings" in the approved state plan to fill a crucial gap in the state continuum of care for children with SED and the particular level of need served by these settings.

We look forward to your response.

Sincerely,



Erik Paulsen
Member of Congress



Al Franken
United States Senator



Collin C. Peterson
Member of Congress



Amy Klobuchar
United States Senator



Betty McCollum
Member of Congress



John Kline
Member of Congress



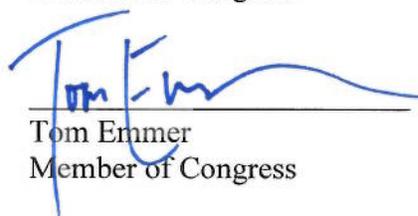
Keith Ellison
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Timothy J. Waz
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Richard M. Nolan
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Tom Emmer
Member of Congress

Cc: Victoria Wachino, Acting Deputy Administrator and Director, Medicaid and CHIP
Melissa Harris, Acting Deputy Director, Disabled and Elderly Health Programs