# MINUTES

**MN BHA ACT Service Providers: Virtual Stakeholder Convening**
June 26, 2026 – 9:00 to 10:00 AM CST
**Virtual Option:** Teams
**Facilitators:** Alyssa Lord, Principal, HMA and Leslie Ramirez, Consultant, HMA
**Materials:** Slide Deck

## Meeting Minutes

### Meeting Purpose:

Gather provider feedback regarding current payment methodologies, cost reporting processes, regulatory requirements, workforce challenges, and opportunities for system improvement related to IRTS, RCS, and ACT services.

### Opening Remarks

Facilitators welcomed participants and explained that the discussion would inform the broader review of IRTS, RCS, and related behavioral health service payment policies. The Health Management Associates project team provided an overview of ongoing work, including a peer-state review, examination of statutory and regulatory requirements, analysis of cost reporting methodologies, and stakeholder engagement activities. Participants were encouraged to provide candid feedback to help inform future findings and recommendations.

### Summary of Provider Feedback

#### 1. Cost Reporting Guidance and Transparency

Providers expressed a need for additional clarity and consistency regarding cost reporting requirements.

#### Documentation Expectations

Participants noted that recent rate-setting reviews have involved increased requests for supporting documentation, including:

- Training records and details regarding staff training activities.
- Documentation supporting depreciation and capital expenses.
- Clarification of mileage reporting categories.

Providers indicated that greater upfront guidance regarding required documentation would improve preparation and reduce follow-up requests during the review process. Written guidance was viewed as more beneficial than adding additional reporting fields.

#### Allowable vs. Unallowable Costs

Providers identified ongoing challenges distinguishing allowable and unallowable expenses, particularly when staff responsibilities include both direct service and non-direct-service functions.

Examples included:

- Staff whose roles may shift between direct service delivery and operational functions.
- Intake-related positions that perform varying levels of billable and non-billable activities.
- Difficulty determining when labor expenses should be included in cost reports.

**Mileage Reporting**

Providers reported that separating administrative travel from direct-service transportation remains complex and would benefit from additional clarification and examples in guidance materials. [1]

**2. Workforce and Staffing Challenges**

**Impact of Vacancies on Rate Setting**

Providers raised concerns that extended vacancies in required ACT team positions may negatively affect future reimbursement rates.

Participants indicated that:

- Open positions reduce reported labor expenses.
- Lower reported labor expenses may result in reduced future rates.
- Workforce shortages can therefore create unintended financial consequences for providers despite ongoing efforts to recruit and retain staff.

**Peer Specialist Certification**

Participants reported significant challenges related to peer specialist certification requirements.

Key concerns included:

- ACT teams are required to include certified peer specialists.
- State-supported certification opportunities are no longer available.
- Prospective peer specialists may be unable to afford certification independently.
- Providers face difficulties filling required positions despite having interested candidates available.

Providers described this issue as creating operational risk for ACT teams attempting to maintain compliance with staffing requirements.

**3. Youth ACT Program Challenges**

**Family Engagement and Reimbursement**

Providers reported that family engagement is a critical component of Youth ACT services but is not adequately reflected in reimbursement structures.

Participants described situations in which:

- Significant staff time is spent working with parents and caregivers.
- Family involvement is essential to successful treatment outcomes.
- Existing reimbursement requirements primarily focus on direct client contact rather than broader family-centered interventions.

**Engagement of High-Acuity Youth**

Providers discussed challenges serving youth with severe mental health needs who may be unwilling or unable to engage directly in services.

Examples included:

- Repeated outreach efforts over extended periods.
- Daily visits that may involve brief interactions or unsuccessful engagement attempts.
- Ongoing work with families while attempting to establish trust with youth.

Providers indicated that these activities represent necessary clinical work but may not align well with current billing requirements.

**4. Policy and Practice Misalignment**

Participants identified several areas where operational realities may not align with current program requirements.

**Treatment Planning Prior to Billing**

Providers noted that ACT services require a completed treatment plan before billing can begin.

Concerns included:

- Delays in enrollment and service initiation.
- Challenges engaging individuals before treatment planning is completed.
- Perceived inconsistency with standard clinical practice, particularly when engagement may take significant time.

**Referral and Assessment Burden**

Providers reported that:

- ACT eligibility assessments require substantial staff resources.
- Teams often conduct extensive assessments only to determine that an individual is not eligible.
- No reimbursement is available for these unsuccessful assessment efforts.

Participants emphasized that ACT eligibility determinations often require involvement from experienced ACT team members due to the specialized nature of the service model.

**Referral System Limitations**

Providers noted the absence of a centralized referral or eligibility screening process.

As a result:

- Individual organizations conduct their own outreach and referral education.
- Providers incur administrative costs related to referral management.
- Teams may receive inappropriate referrals requiring significant evaluation effort.

**5. Rate Methodology Concerns**

Providers raised several concerns regarding the current reimbursement structure.

**Relationship Between Utilization and Rates**

Participants noted that strong performance and high service utilization can sometimes contribute to lower future rates because services were delivered efficiently with existing resources.

Providers expressed concern that this dynamic may unintentionally discourage high levels of productivity and engagement.

**Timing of Rate Setting**

Providers highlighted challenges associated with retrospective rates.

Participants noted that:

- Costs used for rate-setting purposes may be significantly older than current operating conditions.
- Delays between reporting periods and implementation of updated rates can make it difficult for reimbursement levels to reflect current expenses.

## Closing and Next Steps

Facilitators informed participants that:

- A follow-up survey will be distributed to gather additional feedback on issues not fully explored during the convening.
- Survey findings will be analyzed alongside stakeholder feedback and ongoing research activities.
- Additional provider engagement sessions will be conducted to review findings and gather further input.
- Participant feedback will be incorporated into the development of findings and potential recommendations related to policy, reimbursement, cost reporting, and program administration.