HMA

# MN DHS BHA Intensive Services Provider Convening Session


Presented by:

**Alyssa Lord**

**Leslie Ramirez**

**Tony Banda**




# Agenda

| Time | Topic | Speaker |
|---|---|---|
| 5 minutes | Welcome & Introductions | Julie Pearson, MN DHS BHA |
| 5 minutes | Meeting Purpose, Background, and Objectives | Alyssa Lord, HMA |
| 10 minutes | Survey Results | Leslie Ramirez, HMA |
| 30 minutes | Discussion | Alyssa Lord, HMA and Providers |
| 5 minutes | Closing and Next Steps | Alyssa Lord, HMA |

# Welcome

Julie Pearson, MSW, LISW Manager, BH
Payment & Rates
Behavioral Health Administration
Minnesota Department of Human Services

*Please note: This meeting will be recorded for meeting minutes purposes only.*

## ABOUT HMA

Health Management Associates (HMA) is a leading independent national research and consulting firm specializing in publicly funded healthcare.

### Federal Policy Expertise

Our sector and state experts across the country interpret and analyze federal actions, pinpointing key policy and process changes that may impact you and those you serve.

### Experience Supporting State Governments

Comprehensive grasp of state and federal policy, program operations and practice experience to support unique challenges local governments face in supporting their communities.

### Deep Public Sector Experience

HMA supports counties with program assessment, implementation, and improvement across areas such as child welfare, aging and disability services, behavioral health, public health, housing, homelessness, income assistance, and employment supports.

# Intensive Residential Treatment Services (IRTS) Review

Focused assessment across ACT, Residential Crisis, and Intensive Residential Treatment Services

**Objective** Review current program, policy, and payment practices to identify gaps and strengthen program integrity.

## Three-part review approach

**01 Peer-state scan**

Benchmark rates and methodologies for ACT, Residential Crisis, and IRTS.

**02 Review of Current Rate Methodology**

Review existing rate methodology and identify areas for further programmatic, policy, and fiscal clarification (e.g., allowable and disallowable costs, indirect cost rate, transportation)

**03 Focused interviews**

Interview key State team members and a representative sample of providers.

## Service scope

**ACT**

Assertive Community Treatment

**Residential Crisis**

Short-term stabilization

**IRTS**

Intensive Residential Treatment Services

**Deliverable focus:** evidence-based rate methodology findings, regulatory clarification, and actionable integrity risk considerations.

HMA

# Survey Results

SURVEY PURPOSE AND OVERVIEW

On June 4th, 2026, the Minnesota Department of Human Services' (DHS) Behavioral Health Administration (BHA) released a survey to **inform** providers of an ongoing review of current payment policies and rate methodology for intensive behavioral health services, **collect feedback** on current process, and **gauge interest** in participating in a provider convenings session.

## Who responded

**37** total respondents

**35** unique organizations

Respondents by service (multiple selections allowed)

- **16** ACT providers
- **23** IRTS providers
- **18** RCS providers

# Survey Results

IDENTIFIED TRAINING NEEDS

**Survey Prompt** Please identify up to three (3) areas where additional training and technical assistance regarding cost reporting would be beneficial.

## Common themes amongst responses:

- Clarification of Allowable vs. Non-Allowable Costs
- Cost Allocation and Categorization
- Cost Reporting Process and Rate-Setting Transparency
- Billing Rules and Service-Specific Costs
- Documentation Standards and Supporting Evidence
- Training Access, Format, and Ongoing Support
- Program-Specific Costs such as transportation, training, and facility costs

# Survey Results

OPPORTUNITIES FOR REFORM

**Survey Prompt** Please identify any opportunities for regulatory, reimbursement, or program reform.

## Common themes amongst responses:

**Rate & Funding Reform:** Increase, stabilize, and align reimbursement with actual operating costs, client acuity, and program outcomes.

**Administrative Simplification**: Streamline and simplify administrative requirements, including documentation, billing, licensing, and reporting processes.

**Clarity & Transparency**: Provide clear and consistent guidance and improve transparency in rate-setting, regulatory expectations, and cost definitions.

**Workforce Support:** Strengthen and support the workforce by improving funding, promoting pay equity, and standardizing qualifications and credentialing.

**System Integration & Flexibility:** Integrate and align programs while increasing flexibility, reducing silos and enabling providers to meet client needs across settings.

**Oversight & Collaboration**: Enhance oversight while expanding provider engagement, ensuring meaningful monitoring and actively involving providers in policy and decision-making.

# Survey Results

CONCERNS RELATED TO INTENSIVE SERVICES

**Survey Prompt** Please provide any regulatory, reimbursement or program concerns related to Intensive Services (ACT, IRTS, RCS).

## Common themes amongst responses:

**Clarity & Consistency:** Unclear, inconsistent, and insufficient guidance across programs, leading to confusion around rules, documentation, and service expectations.

**Rate Setting & Reimbursement:** Rate-setting is unstable, inequitable, and not keeping pace with costs, with variability and unclear methodologies.

**Financial Sustainability:** Current reimbursement levels do not support program viability, particularly given rising costs and rural/geographic challenges.

**Workforce Challenges:** Ongoing workforce shortages, limited experience, and insufficient training impacting staff retention and program fidelity.

**Administrative Burden:** Documentation, billing, and reporting requirements are overly complex, duplicative, and detract from service delivery.

**System Fragmentation & Engagement:** Siloed programs, inconsistent oversight, and limited provider input hinder coordination, quality, and system effectiveness.

# Stakeholder Engagement: Policy & Operations

Explore how ACT, IRTS, and RCS requirements translate into day-to-day service delivery.

## Anchor question

### How do current requirements align with actual practice?

Gaps between policy intent, provider guidance, operational reality, and person-centered care.

## Signals to capture

- **Confusion**
- **Administrative burden**
- **Access barriers**
- **Sustainability risks**

## Discussion domains

| | | |
|---|---|---|
| 01 | **Policy alignment** | Written rules, provider manual guidance, and rate-setting instructions |
| 02 | **Access & clinical fit** | Eligibility, authorization, admission, continued stay, and discharge expectations |
| 03 | **Workforce & burden** | Staffing, supervision, documentation, and administrative requirements |
| 04 | **Service model gaps** | Essential care components and impacts of recent policy changes |

**Outcome to capture:** policy changes that improve person-centered care, program integrity, and long-term sustainability.

HMA

# Stakeholder Engagement: Cost, Rates & Reimbursement

Test whether reporting tools, rate methods, and payment policies reflect the true cost of quality care.

## Core discussion

### Where do reporting effort, rates, and payment rules create friction?

Ground feedback in actual service costs, annual reporting effort, and billing experience.

## Cross-cutting close

One change to make first

Near-term DHS priorities

Data, outcomes, and stakeholder input needed

Training, tools, or TA for implementation

## Inquiry lenses

01

### Cost reporting accuracy

Clear vs. unclear report components (e.g., Personnel, overhead, facility, transportation, and shared-cost allocation

Allowable vs. nonallowable cost guidance)

02

### Rate methodology fit

Geography, staffing models, occupancy or census variation

Acuity, intensity, and material costs not recognized

New programs, conversions, ownership changes, and settle-up

03

### Payment experience

Gaps between reimbursement and operating costs

Billing clarity, denials, delays, and payer communication

**Outcome to capture:** changes that improve access, quality, financial viability, and administrative simplicity.

HMA

# Next Steps

Follow-up Provider Survey

Additional Provider Meeting in mid-to-late July

# Questions?

HMA