



Adjust Adult Rehabilitative Mental Health Services payment rate, services

Issue:

- In 2011 approximately 14,188 individuals received Adult Rehabilitative Mental Health Services (ARMHS), which help adults with serious mental illness develop skills to successfully live at home. Examples include learning to live with symptoms such as anxiety, fear and depression that affect getting and keeping a job as well as taking regular medications, utilizing transportation and managing a household. ARMHS services are reimbursed benefits under Medical Assistance.
- Use of ARMHS has been directly linked to reductions in the number of inpatient psychiatric hospital admissions and the length of acute or sub-acute mental health services.
- However, despite successful outcomes, sustainability of these services is in jeopardy because reimbursement rates have not increased since 2006 and providers can no longer cover their costs.
- Services such as comprehensive mental health functional assessments, clinical supervision of staff and transportation costs for providing services in a person's home and community are also not covered under the current ARMHS rate. However, agencies are expected to include these for planning and delivering quality care.

Proposal:

- This proposal increases payment rates for the ARMHS, expands the range of services offered under ARMHS and adds provider reimbursement for currently unfunded but necessary services.

Impact:

- The department expects that, on average, individuals receiving ARMHS will have a significant reduction in mental health hospital inpatient days.

Fiscal impact:

- FY 2014-16: The proposal is budget-neutral because existing funding from the Adult Integrated Mental Health Fund will be used for the state portion of funding to support expansion of ARMHS.
- FY 2017: \$1,041,000

Related information:

- Minnesota Management & Budget website: <http://www.mmb.state.mn.us>.
- DHS Adult Mental Health Web pages: www.dhs.state.mn.us/MHDivision