

To: IA Dept of Health & Human Services and HHS Council  
From: Flora A. Schmidt, Executive Director  
Date: 8.28.2025  
RE: Public Hearing HHS Budget

Please accept this letter as comments from the Iowa Behavioral Health Association (IBHA) and our members regarding the IA HHS Budget. IBHA represents 31 licensed / accredited nonprofit organizations that provide prevention and treatment services for mental health, substance use and gambling disorders. Our members annually serve 260,000+ adults & children, reach 164,000 Iowans through prevention, and employ 4600 individuals with a \$303M payroll across locations in 88 Iowa counties. IBHA members include 18 Community Mental Health Centers (CMHCs), each of the legacy Integrated Provider Network (IPN) providers, and the 10 Iowa accredited Certified Community Behavioral Health Clinics (CCBHCs) as well as 13 of the 15 legacy CCBHC Expansion Grantees.

We strongly encourage IA HHS to sustain existing state funding, Medicaid rates and federal Block Grant allocations with the nonprofit safety net behavioral health providers including the licensed and/or accredited CMHCs, CCBHCs and Substance Use programs. These nonprofit providers continue to see a larger percentage of Medicaid clients than those in private practice, and are required to provide comprehensive care regardless of a client's ability to pay.

Distribution of the Mental Health Block Grant funds directly to the accredited CMHCs is vital for their sustainability to protect workforce training as well as to help offset the additional costs required to provide services to all. We believe this funding is best utilized in the hands of the local CMHCs versus diverted through other third-party vendors to provide one-size fits all training programs. The Substance Use Prevention Treatment Recovery Services (SUPTRS) Block Grant funds directed toward treatment, prevention, early intervention and recovery are critical to supporting the nonprofit licensed SUD programs located within our local communities and catchment areas. These funds should not be redirected to administrative and other non-service-related expenses.

The newly accredited state CCBHCs in order to remain true to the model require sufficient, dedicated funding to ensure the demonstration's success. To further increase access to services, the state accreditation should be expanded to allow additional licensed and accredited mental health / substance use disorder providers to apply within their current service areas.

Medicaid rates also need to be sustained to help safeguard a network of available providers for treatment services for clients. It is also imperative that IA HHS and Medicaid immediately increase communications with the provider community on the status, timelines and process to implement the mandated work requirements for the IHAWP population. The nonprofit providers are your direct connection to Iowa's Medicaid members.

Ultimately, reimbursement for all services provided by the vast network of nonprofit behavioral health professionals needs to be competitive and at sustainable rates for these providers to continue delivering services in their respective areas.

Thank you for your time and consideration. The Iowa Behavioral Health Association members look forward to continuing to partner with you in our efforts to improve the lives of Iowans and their families through our mental health and substance use services.

Respectfully,



Flora A. Schmidt, Executive Director

A listing of IBHA member locations as well as programs & services offered is available at: <https://www.ibha.org/preferred-providers/>

***Advocacy & Knowledge Sharing for the Advancement of the Behavioral Health Field***