

To: Iowa Council on Health & Human Services  
From: Flora A. Schmidt, Executive Director  
Date: 9.14.2023  
Re: Comment Public Hearing Budget SFY 2025

Iowa's nonprofit, safety net behavioral health providers are resilient; they have learned to stretch a dollar and creatively meet the needs of Iowans with mental illness and substance use disorders. Inflation and workforce issues have negatively impacted provider budgets across the state, but have not curtailed the need for adequate, sustainable funding to maintain a viable behavioral health network that gives provider agencies the resources necessary to meet the intensifying level of need for behavioral health services. Alcohol sales and consumption remain high while overdoses continue to rise. Client acuity levels are elevated. Suicides are too high. Unfortunately, these statistics are not an anomaly to Iowa as similar increases in the behavioral health field are also being seen across the country.

We are extremely grateful for the 2023 legislative appropriations which provided significant increases for substance use disorder and mental health treatment. There is still more work to be done to provide a strong, accessible, and geographically distributed behavioral health safety net. Nonprofit behavioral health 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.

Additional reimbursement rate increases specifically targeted to the state's nonprofit behavioral health providers are needed to help stabilize treatment services as well as to help maintain services across Iowa. The number of Iowans substance use disorders and mental health conditions continue to rise in both numbers and intensity, impacting not only our workforce, but also our communities, schools, employers, and the overall health of our state.

It is vital that a system be established to annually review and increase reimbursement rates across both mental health and substance use disorder services. Rates should be tied to the Iowa consumer price index or similar agreed upon cost index so we do not continue to fall behind. State reimbursement policies directly impact a provider's ability to retain a qualified workforce and maintain statewide access to the full continuum of behavioral health services.

We urge you to take this next step to incentivize the state's nonprofit, behavioral health, safety net providers. Doing so safeguards the sustainability of the treatment network across the state and helps those serving Iowa's Medicaid members build and grow the workforce required to provide these services.

Recognizing the state general fund dollars are in high demand, we continue to urge consideration of supplementing general fund increases with other revenue sources, including:

- Usage & Excise taxes – alcoholic beverages; tobacco; sports betting; gambling; etc.
- Behavioral Health related settlement funds ~ opioids; tobacco; etc.
- Develop a comprehensive Addiction and Recovery Treatment Services (ARTS) benefit through Medicaid 1115 waiver

Thank you for your time and consideration.

Respectfully,



Flora A. Schmidt, Executive Director  
Iowa Behavioral Health Association

IBHA is the leading voice to enhance the effectiveness and resiliency of nonprofit licensed/accredited organizations that provide prevention and treatment services for mental health, substance use, and gambling disorders. We represent 30 agencies across Iowa and a listing of member locations as well as programs and services offered is available at <https://www.ibha.org/preferred-providers/>