



Behavioral Health/Medicaid Services Rate Review Reduction Survey Summary

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We are incredibly grateful for the outpatient mental health rate increases over the past few years. These investments have provided much-needed stability to Iowa's safety net mental health providers during an especially challenging time.

How Rate Increases Helped

- Reduced Financial Strain: Agencies used the increases to reduce persistent deficits – helping slow or stop losses in key service lines.
- Workforce Investments: Funds supported staff recruitment and retention, including:
 - Salary and benefit improvements (PTO, health insurance, sign-on/retention bonuses)
 - Expanded training and professional development
- Service Enhancements:
 - Launch of new programs (e.g., Multi-Systemic Therapy, Crisis Stabilization Residential)
 - Expansion of therapy and prevention-based services in schools, homes, and community settings
 - Facility and security upgrades to support a safer therapeutic environment

Ongoing Challenges

- There are very few clinicians who choose to work in agency-based roles, especially in rural areas.
 - Mission-driven agencies are losing clinicians to private practices who offer higher salaries, flexible schedules, and lower administrative burdens. New graduates are bypassing agency work altogether, and those who initially accept Medicaid clients often stop shortly after starting.

- Outpatient programs remain in deficit and rely on private fundraising or cross-subsidies to stay open.
- Workforce shortages have forced some therapists to be reassigned from outpatient to residential programs, just to meet compliance, which creates burnout and increased turnover.
- The capacity to deliver evidence-based care and consistent programming remains limited without sustained investment.

"These funds helped us begin evaluating and implementing evidence-based practices. But without full support, we can't maintain the momentum."

What Happens If Medicaid Cuts Go Through?

- Agencies will shrink outpatient programs or shut down their outpatient programs.
- Prevention and reintegration efforts will collapse, forcing more kids into higher-cost care, detention, or hospitalization.
- Services like QRTP, PMIC, BHIS, and IHH will suffer, as they rely on clinicians funded through outpatient and community-based programs.

***"We have 17 therapist openings now – and expect 15 more if the cut happens."
"If we are not properly funded, we simply cannot provide quality care and services to our kiddos."***

Looking Ahead

Our intent is to be responsible stewards of public investment while continuing to expand access and improve quality. Sustained support will:

- Help agencies recruit and retain licensed clinicians – which is essential for programs like PMIC, QRTP, BHIS, and IHH
- Ensure outpatient services can remain available to Medicaid-enrolled children and families
- Support community-based care, reduce reliance on higher-cost interventions, and align with the state's goals for prevention and reintegration

Conclusion

With continued partnership and investment, we can build on recent progress and strengthen Iowa's mental health system for the children and families who need it most.

Member agencies play a vital role in providing Medicaid-funded services that support children and families in all 99 Iowa counties.