

Representative Jennifer Schultz, Chair
Human Services Finance & Policy Committee
MN House of Representatives
March 8, 2022

Chair Schultz and Members of the Committee

On behalf of Hamm Clinic I am writing to convey our support for and urge the Committee to pass **House File 3215 – emergency funding for mental health workforce and sustaining services using federal relief funding support.**

Hamm Clinic is a community mental health agency that was founded in 1954 providing outpatient services in an interdisciplinary model. Our mission is to provide culturally responsive care to adults, with a focus on reducing financial barriers to access to care through a low sliding fee. We serve Ramsey and surrounding counties, located in downtown St. Paul. We provide individual, family, couple, and group therapy; psychological assessment; and psychiatric care. On average we serve 500-600 clients annually, with roughly 13,500 appointments.

In calendar years 2021 and 2022, our state's community mental and chemical health programs struggle to provide services under the ongoing pandemic and the extreme workforce crisis. **These crises compound pre-pandemic sustainability issues: workforce shortage, reimbursement rates much lower than services' costs and growing reporting and regulatory administrative requirements.** While we are suffering high losses in operating revenue, our agencies and programs still have to maintain overhead costs – staff salaries and benefits, facilities, compliance/reporting standards and service operations. We are now forced to close programs, services and locations/access points. The full impact of these forces is resulting in our mental health agencies not being able to keep programs open or keep up with our clients' growing needs for care –

Hamm Clinic's waitlist has doubled in the last two years, previously averaging 40 people, now averaging 80 people or more. We have added psychotherapists, but along with everyone in the sector continue to struggle with hiring and retention concerns due to the pandemic. We cannot keep up with the demand for care as folks' mental health continued to deteriorate due to the pandemic and larger sociocultural stressors such a racial injustice. We continue to reduce expenses and streamline operations, including limiting investment in other core missional programs, in order to ensure clients can access care. Even with this, we currently have earned income losses (insurance billing/client fees) of \$353,299.00 of a 3.9 million dollar budget, and expect this to continue to close the year with at least \$418,723.00 at year end (June 2022).

We fear some of our community mental/ chemical health programs in greater Minnesota are on the brink of closure, where we are the only outpatient mental and chemical health programs in five and six plus county service areas. We have extreme loss of staff in sparsely populated areas and inability to keep up with costs of providing care. There is NO back up for many counties if our agencies close. Hospitals and emergency departments will be the only source for care and must absorb the demand.

Our Metro-based community mental and chemical health programs are also closing programs and service sites. We make up the majority of the safety net for Medical Assistance and underinsured populations in the Metro. Because the community mental health programs across the state are the safety net and cannot (and do not) turn people away based on their ability to pay, we are absorbing all these costs, compounding our uncompensated care losses. Without immediate relief, we cannot keep sustaining these program losses and maintain access to care.

Please support investment of this one-time ARPA Immediate relief funding to sustain access to current community mental and chemical health services. This support will allow us to advance intermediate and longer-term strategies, including:

- Streamlined, and reduced, reporting and regulatory burdens – allowing providers to focus on care delivery NOT reporting requirements
- Rate reform on MA rates for mental and chemical health programs – We support the DHS study the legislature passed in 2021. We strongly encourage DHS begin with community mental health in the first analysis.

Hamm Clinic urgently asks the Committee to increase resource investments into our community-based mental and chemical health care infrastructure by passing H.F. 3215 to for this emergency bridge funding to sustain access to our current services and community infrastructure. If we continue to let our community-based care infrastructure crumble, there will be nowhere for clients to be discharged back to or preventive care, treating illness before it requires inpatient hospital care.

Thank you for considering our request.

Sincerely,

A handwritten signature in black ink that reads "Angela Lewis-Dmello". The signature is written in a cursive, flowing style.

Angela Lewis-Dmello
Executive Director
Hamm Clinic