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March 7, 2022

Dear Committee Members,

On behalf of Therapeutic Services Agency, Inc., I am writing to convey our support for and respectfully request the Committee pass **House File 3215 – emergency funding for mental health workforce relief using federal relief funding support.**

Therapeutic Services Agency, Inc, a primary community mental health services resource in East Central Minnesota including Pine, Chisago, Isanti, Kanabec Counties and Anoka Co provides services to about 1000 children, teens, and adults per month in our array of services including Day Treatment for children, foster care, outpatient mental health services, in-home family based services, mobile crises response services, school linked mental health services, mental health services to children who are deaf and hard of hearing, early childhood mental health service, psychological evaluations, hosting of internships for college students, consultation, supervision and training services for other agencies' professionals. Prior to the pandemic start we had 101 employees and presently we have 91 staff. We could readily hire additional 10 staff to provide services to approximately 400 persons waiting for service starts. This is particularly poignant for us since we so wish to be helping people as they present their needs, and we are simply at capacity given our current staff available to provide services.

Workforce shortage is only one part of the equation of present significant challenge for our organization. The pandemic has caused increased absenteeism from service attendance. We are like most of our colleagues in these challenges. The third significant issue is our rates for service provision are in bad shape as most legislators and staff at DHS know.

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.

- In 2021, the Therapeutic Services Agency Day Treatment program had an estimated \$560,400 in losses which totaled about 33.30% of the total annual revenue for the program.

Our rural communities need mental health services and we need your help to carry on!

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.**

It is heart wrenching to hear about the mental health crises and high needs often identified by teachers, day care center staff, superintendents, chemical dependency center staff, county Child Protection worker and Children's Mental Health Case Managers, hospital and clinic staff and have limited capacity to help. As a mental health service provider, we need the Legislature to help us NOW!

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.

Therapeutic Services Agency, Inc., 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. We need to invest in and support our continuum of community mental health service resources and we look to you for that help NOW. Most respectfully we beseech you for your support now!

Thank you for considering our request.

Sincerely

Cheryl Smetana McHugh, MSW, LICSW
Executive Director
Therapeutic Services Agency, Inc.