

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 People Incorporated Mental Health Services, 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.**

- People Incorporated has been a vital part of the Minnesota Mental Health safety net for more than 50 years
- People Incorporated serves 14,000 discrete individuals annually, and approximately 1/3 receive more than one service
- To provide our integrated model of care to the vulnerable and needy members of our community, we employ over 700 staff.
- Due to the existing workforce shortage, now made a crisis due to the pandemic, we have had more than 100 open positions for approximately 2 years.
- In order to continue to provide these essential services in such a workforce crisis, we are paying our staff record levels of overtime and incentive pay to keep our programs open.
- This comes at significant financial risk to our organization, but I would submit even greater risk to our communities and state.

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.

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.

People Incorporated 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

Jill Wiedemann-West

CEO

People Incorporated Mental Health Services