



Minnesota Association of Community Mental Health Programs

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

Chair Schultz and Members of the Committee

On behalf of the Minnesota Association of Community Mental Health Programs (MACMHP), I am writing to convey our support for and urge the Committee to pass **House File 3215 – emergency funding for mental health workforce relief using federal relief funding support.**

Minnesota Community Mental Health Programs' Perspective

The Minnesota Association of Community Mental Health Programs (MACMHP) is the state's leading association for Community Mental Health Centers and Programs, representing 35 community-based mental health providers and agencies across the state. Our mission is to serve all who come to us seeking mental and chemical health services, regardless of their insurance status, ability to pay or where they live. Collectively, we serve over 200,000 Minnesota families, children and adults on public programs.

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 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 –

- 9,500 clients on waiting lists while agencies' staff are working at more than 100% capacity –
- Average of 21 unfilled staff positions per community mental/ chemical health program – 700 unfilled staff positions across programs
 - maximum reported unfilled staff positions of 160 by one agency
- Average of \$500,000 in projected losses in budget-year 2022 –
 - On agency's maximum reported loss equaling over \$4 million, with cost increases of 32 percent, nearly one-third (1/3), on flat reimbursements

MACMHP is very concerned Minnesota may permanently lose service programs and whole community mental health centers within the next 12-18 months if we do not help bridge programs' ability to sustain services during this workforce crisis and impacts of the pandemic.

We fear some of our community mental/ chemical health programs in greater Minnesota are on the brink of closure, where they are the only outpatient mental and chemical health programs in five and six plus county service areas. They 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, where they 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



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people away based on their ability to pay, they are absorbing all these costs, compounding our uncompensated care losses. Without immediate relief, our community mental health programs cannot maintain access to care and keep

sustaining these program losses.

Minnesota suffered the loss of Riverwood Mental Health Center in 2014, a community mental health center serving Chisago, Isanti, Kanabec, Mille Lacs, and Pine counties. After its closure, DHS conducted an analysis of the impact of its vacancy (analysis attached). One community mental health center stated their current scenario reflects this impact. Due to the staffing crisis, they lost their mobile crisis team for the region, school-linked mental health program and had to close two outpatient sites.

Please support this one-time ARPA immediate relief funding to sustain access to current community mental and chemical health services. This support will allow us time 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.

MACMHP 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 workforce bridge funding. If we continue to let our community-based care infrastructure crumble, there will be nowhere for clients' preventive care, treating illness before it requires inpatient hospital care, or for them to be discharged and return into the community.

Thank you for considering our requests. Please do not hesitate to reach out to jin.palen@macmhp.org with any questions or for additional information.

Sincerely

Jin Lee Palen

Executive Director

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