



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 Fraser, 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.**

Fraser is the largest provider of children’s mental health services in the state of Minnesota. We serve over 3,000 clients who live throughout the state annually. Fraser provides a continuum of services from initial assessments to more intensive services including day treatment and Early Intensive Developmental and Behavioral Interventions (EIDBI) at clinic locations across the Twin Cities. With the use of telehealth we are able to provide supports and services to families across the state.

In calendar years 2021 and 2022, Fraser had to significantly reduce services due to 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 programs still have to maintain overhead costs – staff salaries and benefits, facilities, compliance/reporting standards and service operations. We have reduced program capacity and postponed opening additional locations and access points. The full impact of these forces is resulting in Fraser not being able to maintain program capacity that meets community need and keep up with our clients’ growing needs for care –

- Our waiting list continues to grow
- We are serving 50% fewer children in day treatment and EIDBI services to allow for social distancing
- We are seeing a 30 – 35% decrease in revenue.

We routinely lose staff to private practice or other industries because we cannot compete with salary and benefits in other settings. Without these community based programs, hospitals and emergency departments will be the only source for care and must absorb the demand. Community mental health programs 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.

Fraser urgently asks the Committee to increase resource investments into our community-based mental and chemical health care infrastructure by passing H.F. 3215 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 "Abigail Vavra". The signature is written in a cursive, flowing style.

Abigail Vavra  
Public Policy and Compliance Counsel  
Fraser

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