



# Minnesota Association of Community Mental Health Programs

Representative Jennifer Schultz, Chair  
Human Services Finance & Policy Committee  
MN House of Representatives  
February 1, 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 the both the crisis state our community mental and chemical health services are in as well as proposed solutions. This letter's consists of joint work, data and experiences from community-based mental and chemical health agencies and clinics across Minnesota's mental health provider associations MACMHP, AspireMN and MHPAM.

## 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 Programs, representing 34 community-based mental health providers and agencies across the state. Collectively, we serve over 200,000 Minnesota families, children and adults. 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.

In calendar years 2021 and 2022, our state's community mental and chemical health programs are struggling to provide services under the ongoing pandemic and the extreme workforce crisis. **These crises compound pre-pandemic sustainability issues: reimbursement rates being much lower than services' costs and growing reporting and regulatory administrative requirements.**

While they are suffering high losses in operating revenue, agencies and programs still have to maintain overhead costs – staff salaries and benefits, facilities, compliance/reporting standards and service operations. Agencies are forced to close programs, services and locations/access points. The full impact of these forces is resulting in provider agencies not being able to keep programs open or keep up with clients' and populations 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
- Average of \$500,000 in projected losses in budget-year 2022 –
  - 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.**



## Minnesota Association of Community Mental Health Programs

Community mental/ chemical health programs in greater Minnesota on the brink of closure. 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 their counties if these agencies close. Hospitals and emergency departments will be the only source for care and must absorb the demand. One program conveyed their hospitals' E.D.s are very concerned about this high risk of increased ER visits and potential ER boarding.

Our urban community mental and chemical health programs are also closing programs and service sites. They make up the majority of the safety net for Medical Assistance and underinsured populations in the Metro. Underinsurance is an increasing contributor to this sustainability crisis – in the last five years, our state's community mental and chemical health programs have seen a doubling of clients on high-deductible commercial plans who cannot afford the out-of-pocket costs. Because the community mental health programs across the state are the safety net and cannot turn people away from care based on their ability to pay, they are absorbing all these costs, compounding their uncompensated care 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 causes and the impact of its vacancy. (analysis attached) One community mental health center stated their current scenario reflects 80 percent of the analysis from Riverwood (minus the internal financial and accounting systems issues). 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.

### Solutions - OUR ASK:

- Immediate relief funding to sustain access to current community mental and chemical health services
- 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 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. 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 care.

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

Sincerely

A handwritten signature in black ink that reads "Jin Lee Palen".

Jin Lee Palen  
Executive Director  
Minnesota Association of Community Mental Health Programs | MACMHP