

Ms. Merilee Mapes Perkins
PO Box 281
Shapleigh, ME 04076

Testimony of Merilee Mapes Perkins
Southern Maine Health Care Trustee
In Support of LD 1740

“Resolve, Regarding Reimbursement for Providing Inpatient Care to
Individuals with Acute Mental Health Care Needs”

April 27, 2021

Senator Claxton, Representative Meyer and Members of the Health and Human Services Committee, good afternoon. I am Merilee Mapes Perkins, a trustee of Southern Maine health Care and I am here to testify in strong support of this legislation.

As a long time Board member of Goodall Hospital in Sanford, and now Southern Maine Health Care, I am committed to ensuring that the organization embraces its vision of “working together so our communities are the healthiest in America.” I was born at Goodall Hospital and have spent my adult life in the Sanford community working to improve the quality of life of my neighbors through my role as Director of Healthy Living at the YMCA and my 18 years of volunteer service on the hospital Board.

In 2017 and 2018, it came to the Board’s attention that a critically important group of patients were not having their needs adequately met. Patients experiencing mental health crises were languishing in our emergency departments for days as they await access to specialty inpatient beds designed to meet their needs. I doubt there is anyone in this room who hasn’t been touched by someone with mental illness and who is not familiar with this “lack of bed” situation. There are Mainers with mental health issues who are transported out of state for care due to lack of beds leaving family members unable to provide hands-on love and support. Southern Maine Health Care

had seen a significant growth in people needing inpatient psychiatric services, and it is clear that bed capacity was insufficient to meet the need. This was verified by a comprehensive needs assessment and bed forecast conducted by Maine health's planning department.

Based on the data, a win/win plan was developed to address this critical need for vulnerable patients by repurposing inpatient beds on the Goodall campus. Goodall Hospital stood strong for 88 years when the decision was made to move the inpatient beds to the Biddeford campus. This was a tremendous blow to Sanford-loss of local inpatient care for our neighbors and the loss of jobs. Moving the existing 12 bed psychiatric unit from Biddeford to Sanford and then adding additional beds to meet the community demand, brings life back to a hospital rich with history and jobs back into the community. As a Board member and a born and bred Sanford citizen, this project presented a great opportunity to revitalize an important asset in Sanford as we meet a critical bed shortage for psychiatric patients.

In spite of the importance of this need, the project did present a significant financial investment. The Board approved the \$11 million capital investment, and it also raised a number of questions about the financial viability of operations going forward. Like most of the community behavioral health rates, the MaineCare rate for inpatient psychiatric treatment had not changed since 2011, and is more than 33% below the cost of caring for MaineCare patients. Given the payor mix – MaineCare patients represent 45% of the revenue of these beds - this represented a concern for the Board, which has a fiduciary obligation to the organization.

The staff assured the Board that they were in discussions with the Department, which was supportive of the overall plan and had indicated they would work with us to ensure that a reasonable rate was developed. Precedent had already been set, as two other Maine hospitals have special rates for psychiatric beds in Section 45. We assumed the Department would recognize the fairness of the increase in reimbursement given the moral obligation we assume in caring for these vulnerable individuals.

The Department agreed with our financial analysis and asked only that we hold off finalizing a rate until we saw the impact of Medicaid expansion. We have a memo from the Department confirming that perspective. We agreed, and in the fall of 2019, we provided the Department with a revised rate that reflected a reduction of over \$2000 per discharge based upon the decrease in uninsured patients due to expansion.

On February 4 of 2020, a full 18 months after we started discussions with the Department about this project, and just five months before the beds were scheduled to open, we received an email from MaineCare stating that they would not agree to amend section 45.

We were shocked by the Department's email. We pursued this project operating under the good faith that the department would support a reasonable rate to cover the cost of patient care. Last winter, the Health and Human Services Committee supported our position, but the bill ultimately died due to early adjournment.

In spite of the uncertainty regarding our rates, Southern Maine Health Care and Maine Behavioral Healthcare pushed forward, opening the first unit last fall. Today, the units are meeting the critical need, made even more challenged by the pandemic.

I know that you hear many pressing needs on a daily basis-many of them in the behavioral health realm. I can assure you that these needs are real. Having taken elderly family members to both the Sanford and Biddeford campus emergency rooms at night-I have seen that the situation is indeed critical. These individuals need the inpatient care that so few facilities can provide. While most individuals diagnosed with mental illness do not need hospitalization and can be successfully treated with outpatient services, inpatient psychiatric beds are vital to complete the mental health continuum.

As a Board member, I am constantly challenged with the important balance of how to afford to meet the communities' needs. In this case, we proceeded to invest in a critically important project with the understanding that the State

would help to meet the costs of the patients that their MaineCare program covers. We now find ourselves in the situation in which nearly half of the patients are covered by MaineCare, which covers about 60% of the cost for those patients. If that situation does not improve, at some point soon, the Board will be forced to assess the viability of these beds. Please help us ensure that we can maintain access to these critically important services for our vulnerable community members who struggle with acute mental health needs.

Please support this legislation.

Thank you.