



Testimony of Merilee Perkins
Vice President, Board of Trustees
Southern Maine Health Care
In Support of LD 1856
“Resolve, to Support Individuals with Acute Mental Health Needs”

February 20, 2020

Senator Gratwick, Representative Hymanson and Members of the Health and Human Services Committee, good afternoon. I am Merilee Mapes Perkins, vice-chair 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 - and still are - 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. 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. While 13% of SMHC's overall budget is derived from MaineCare, our data showed that about 36% of the patients for the psychiatric beds would be a combination of MaineCare and uninsured patients. 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. Obviously, 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 65. 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 this fall, we provided 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 65.

We were shocked by the Department's email and I was disturbed by the tone. We have pursued this project operating under the good faith that the department would support a reasonable rate to cover the cost of patient care. As a Board member, this presents a serious challenge as we near the date of opening these desperately needed beds. We are forced to ask: as a fiduciary to this organization, can we proceed with opening beds while recognizing that over 1/3 of the patients might not have payment resources sufficient to cover their costs?

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 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. This project will help alleviate a critical need for some patients in crisis. But without adequate reimbursement the financial burden will fall elsewhere-emergency rooms, correctional facilities, long term hospital care in facilities unequipped to handle these patients and families emotionally and financially stressed.

I don't want to learn of combative situations with employees or of another distraught individual committing suicide outside of our emergency room. Individuals in crisis are entitled to appropriate treatment and care. I have

committed years of service to insure that our community has excellent health care and now I struggle with how we continue with a project that we may not be able to sustain. Sanford needs it, the citizens of York County and the State of Maine need it, the 50 prospective employees need it and most importantly the families of these vulnerable individuals need it.

Please support this legislation.

Thank you.