

# The Mental Health Safety Net Coalition



**Alliance of Community  
Service Providers**

**Aspire Child & Family  
Services**

**Bedford-Somerset  
Developmental &  
Behavioral Health  
Services**

**Bell Socialization  
Services**

**The Bradley Center**

**Chester County  
Department of MH/IDD**

**Children First**

**Children's Home of  
Reading (CHOR)**

**Children's Service Center  
of Wyoming Valley, Inc.**

**Community Services  
Group**

**County Commissioner's  
Association of  
Pennsylvania**

**Eleos Health**

**Family Services of  
Northwest Pennsylvania  
Chestnut Ridge  
Counseling, Inc.**

**Feinberg Shopp  
Associates**

**Institute for Behavioral  
Change (IBC)**

## Mental Health Safety Net Services Funding: A FY 2025/26 Budget Imperative

**Problem:** Community mental health services are in crisis. The signs are all around us, including increases in suicides, boarding in emergency departments, wait times for mental health services, and incarceration rates for those suffering from mental illnesses. The increased demand for mental health services is meeting the reality of years of inadequate funding. The counties can no longer compensate for the lack of state funds, and providers can no longer maintain programs in the face of mental health professional shortages and double digit increases in staff costs. For Pennsylvanians with a mental illness, the impact of the funding shortfalls is already evident. The mental health system is all too often unable to deliver the right care, at the right time, and in the right setting.

The failure to adequately invest in community mental health services is resulting in higher overall costs in other systems like Medicaid, law enforcement, corrections, state-operated mental health hospitals, and community hospital emergency departments. The norm is now responding when people are in crisis and in the most expensive settings, whether it be an emergency department, inpatient hospitalization, or, even worse, jail.

**Solution:** There is no simple fix. The solution will require a sustained, multi-year effort by all stakeholders — the Commonwealth, counties, providers, and advocates — to rebuild our mental health system. If we do not act to change the status quo, the situation can and will get much worse. It also will get more expensive from both a fiscal and human standpoint, as the failure to invest in mental health services will result in higher overall expenditures in emergency departments, law enforcement, and corrections, and will lead to poorer outcomes for vulnerable Pennsylvanians in crisis.

For Fiscal Year (FY) 2025/26, the Mental Health Safety Net Coalition respectfully urges the Governor and General Assembly to take the following actions:

- 1. Appropriate, at a minimum, the proposed \$20M increase in county-based mental health base funding for FY 2025/26.**

This increase in base funding will not make up for a decade of level funding or the 25% increase in labor costs since the end of the pandemic. This would complete Governor Shapiro's original commitment to reinvest \$60M in these services over three years. However, *we urge the General Assembly to appropriate an additional \$80 million or a total of \$100 million for county-based mental health services*, consistent with CCAP's recommendation. This investment will help respond to increased service demand and recognize our county-based system's role as the provider of last resort in the face of major potential retrenchment in support for mental health services at the federal level.

**Intercommunity Action,  
Inc.**

**MAX Association**

**Merakey**

**PA Council for Children,  
Youth & Family Services  
(PCCYFS)**

**Philadelphia Mental  
Health Care Corporation  
(PMHCC)**

**Rehabilitation and  
Community Providers  
Association (RCPA)**

**Renewal, Inc.**

**Stairways Behavioral  
Health**

**Strawberry Fields Inc.**

**TrueNorth Wellness  
Services**

**UPMC**

**Westmoreland  
Casemanagement and  
Supports, Inc.**

**2. Appropriate the \$100M requested to enhance mental health services to school-aged children and adolescents in FY 2025/26.**

To efficiently maximize the availability of services for children in need, these resources should be allocated in accordance with a coordinated plan developed by counties and school districts. The plan should emphasize strengthening programs, such as the Student Assistance Program, and should be allocated by a formula as opposed to discretionary grant programs.

**3. Appropriate the proposed \$640M increase in the HealthChoices Behavioral Health Capitation in FY 2025/26.**

Similar to addressing the shortfalls in the FY 2024/25 capitation, these funds are essential to maintain the actuarially-sound rates necessary to support critical and life-sustaining Medicaid behavioral health services. As an adjunct to this appropriation, the Administration and General Assembly should work together to ensure the process for setting actuarially-sound rates to avoid future, unexpected shortfalls of this nature, and that there is an appropriate degree of transparency in how plans are allocating these rate increases.

**4. Pass the proposed \$15M in ongoing development of Crisis Walk-in Centers and support the implementation of the 988 Suicide and Crisis Lifeline across the commonwealth.**

**5. Appropriate \$15M to support the 21 freestanding psychiatric hospitals in the FY 2025/26 state budget.**

While facing all the same financial pressures and operational issues as their acute general community hospital counterparts, ranging from inadequate payment rates to staff shortages, freestanding psychiatric facilities generally have not been eligible for any of the federal and state supplemental funding designed to help address these challenges, including the hospital Quality Care Assessment, the emergency COVID-19 Medicaid payments, and hospital relief payments. The \$15 million would help to stabilize this important part of the continuum of mental health services in the Commonwealth.

The mental health challenges facing families and communities across the Commonwealth transcend geographic and political divisions. Inaction will cost taxpayers more money.

Ultimately, the status quo is not sustainable.

We respectfully urge all members of the House and Senate, regardless of your political perspective, to ask your respective leaders to ensure these investments in mental health services are included in the FY 2025/26 budget.

Sincerely,

The Mental Health Safety Net Coalition