



Alliance for Addiction and Mental Health Services, Maine
The unified voice for Maine's community behavioral health providers

Letter to the Committee on Government Oversight

RE: DHHS Procurement and Contracting Practices

August 29, 2024

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Dear Senator Hickman, Representative Fay, and the Committee on Government Oversight (the Committee),

My name is Adam Bloom-Paicopolos, and I am a Wells resident and the Executive Director of the Alliance for Addiction and Mental Health Services, Maine (the Alliance). The Alliance is the statewide association representing the majority of Maine's community-based behavioral health providers who provide much-needed services to over 80,000 Mainers annually. The Alliance advocates for the implementation of sound policies and evidence-based practices that serve to enhance the quality and effectiveness of our behavioral health care system.

On behalf of the Alliance, I am submitting this letter to thank the Committee for its ongoing work to examine our state's procurement practices and to urge the Committee to consider closely reviewing current Department of Health and Human Services (DHHS) contracting processes to ensure that these systems are an efficient and reasonable system for providers. Many of the Alliance's member agencies have experienced significant challenges and delays in navigating the DHHS procurement and contracting processes. With operational and administrative expenses already leaving agencies stretched thin, encumbrment and payment delays or added administrative burden has an outsized impact on service availability and staff retention. While we appreciate the progress made in the last session with LD 2082, resolving for a report from DHHS on the timeliness of payments to behavioral health providers, many of our member agencies continue to experience challenges that threaten their ability to provide critical services.

Extensive wait times for contract encumbrment is one of the most common contracting issues reported—often for multiple contracts at a time. This results in significant cash flow impacts as providers are left operating with no contract dollars for critically needed services for several months. Many agencies must turn to private lines of credit to cover staff salaries and operating costs to compensate and continue providing services. Following 4-5 months of waiting and a nearly maxed-out line of credit, one provider recently cited their most recent interest payment as over \$2,000.

Additional concerns include:

- Incorrect contracts being delivered leading to added delays and costly back and forth adjustments between agencies and DHHS;
- Excessively brief response expectations on agencies to DHHS contracting-related requests such as budget developments and program details resulting in additional administrative burden on the behavioral health workforce, and;

- Difficulty communicating with DHHS in the lead up to renewals or following the end of a contract, creating a sense of uncertainty and limiting the ability of agencies to effectively and proactively plan ahead.

This is not a sustainable system. Maine cannot afford to continue placing critical community-based behavioral health services in jeopardy due to ongoing delayed payments, programmatic uncertainty, and administrative challenges. We respectfully ask the Committee to examine DHHS's procurement and contracting processes and consider opportunities that enable a system that works for all relevant stakeholders, and enhances, rather than inhibits, our state's capacity to deliver behavioral health services at this time of unprecedented need for so many individuals and families across Maine.

Respectfully,



Adam Bloom-Paicopolos
Executive Director