



Alternative Community Resources Program

Beacon Light Behavioral Health Services

Behavioral Health Alliance of Rural PA

Bell Socialization Services, Inc.

Blair County Department of Social Services

Bucks County Behavioral Health

Carelon Health of PA

CCRN Behavioral Supports

Cenclear

Chester County Respite Network

Chestnut Ridge Counseling Services

Children's Service Center

Chimes Holcomb

Community Guidance Center

Community Services Group, Inc.

Conference of Allegheny Providers

County Commissioners Association of Pennsylvania

Deveraux

Goodwill Keystone Area

Human Resources Center

Human Services Center

KidsPeace

MAX Association

## Mental Health Safety Net Services Funding: A Budget Imperative

**Problem:** After years of funding instability, community mental health services remain in crisis. The signs are all around us: excessive waiting lists for mental health services, closing of mental health programs, rising suicide rates, boarding in emergency departments, and incarceration rates increasing for those suffering from mental illnesses. The increased demand for mental health services is meeting the reality of years of inadequate funding. The providers and counties can no longer compensate for the lack of state and Medicaid funds, crippling the mental health system's ability to sustain program delivery in the face of mental health professional shortages and double digit increases in staffing 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, in the right setting. With additional funding threats from anticipated changes in federal Medicaid funds in HR 1, this is the time to act!

**Solution:** For Fiscal Year (FY) 2026/27, the Mental Health Safety Net Coalition respectfully urges the Governor and General Assembly to take the following actions:

1. *Investment in County-Based Mental Health Base Funding of \$40M for FY 2026/27.*

This increase in base funding will build upon the \$40M investment from the first two years of the administration. While it does not make up for a decade of level funding or the increase in labor costs over the years, it is a start to a multi-year process that will help to stabilize critically-needed programs. This investment will help respond to increased service demand and recognize our county-based system's role as the provider of last resort. These funds are utilized for multiple mental health services for adults and children, serving underinsured/uninsured Pennsylvanians. With upcoming changes to Medicaid, the number of underinsured/uninsured individuals will only increase. Counties will need these crucial base funds to continue to provide services. This investment would aid in completing Governor Shapiro's original \$60M promised investment, and begin to build the needed additional financial support for sustainable safety net services in the counties.

2. *Appropriate the \$100M requested to enhance mental health services to school-aged children and adolescents in FY 2026/27.*

To efficiently maximize the availability of services for children in need, these resources should be allocated 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

**Mental Health America of Southwest PA**  
**Mental Health Partnerships**  
**Montgomery County Human Services**  
**Partners for Quality**  
**Philadelphia Mental Health Care Corporation**  
**Step by Step, Inc.**  
**Rehabilitation and Community Providers Association**  
**Saint Luke's Penn Foundation**  
**Strawberry Fields, Inc.**  
**Staunton Farms Foundation**  
**The Advocacy Alliance**  
**The Alliance of Philadelphia Providers**  
**The Bradley Center**  
**TrueNorth Wellness Services**  
**Wellspan**  
**Westmoreland Case Management**

programs, with a primary focus on bolstering the existing mental health system rather than creating a secondary mental health system in the schools.

3. *Approval of the proposed \$320M increase in the HealthChoices Behavioral Health Capitation.*  
After repeated shortfalls in the behavioral health capitation, these funds are critical to support Medicaid recipients in receiving life-sustaining services, while ensuring provider workforce and operational capacity to deliver a sustainable continuum of care. As an adjunct to this appropriation, the administration and General Assembly should work together to guarantee the process for setting actuarially-sound rates to avoid future shortfalls, and that there is an appropriate degree of transparency in how rate increases are allocated.
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.*  
With Governor Shapiro's previous investments in the Commonwealth's crisis system, Pennsylvania has built a strong crisis response network to provide rapid support and treatment for individuals experiencing a mental health crisis. Continued investment in our crisis system will aid in increasing the effectiveness of 988 call centers and walk-in centers, keeping individuals out of the emergency rooms and providing access to appropriate care.

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 political perspective, to ask your leaders to ensure these investments in mental health services are included in the FY 2026/27 budget.

Sincerely,

The Mental Health Safety Net Coalition