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ASSOCIATION
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HEALTHCARE

December 22, 2025

Her Excellency Maura Healey
Office of the Governor
State House, Room 360
Boston, MA 02133

Re: FY27 Budget

Dear Governor Healey:

On behalf of the Association for Behavioral Healthcare (ABH), thank you for your leadership and thoughtful review of the needs of individuals with mental health and substance use disorders, and their families, as your Administration crafts the FY27 state budget proposal. We recognize budgeting for this fiscal year presents additional challenges to an already difficult task. We appreciate your efforts and the opportunity to provide some comments for your consideration.

For context, ABH is a statewide association representing more than eighty community-based mental health and addiction treatment provider organizations. Our members are the primary providers of publicly funded behavioral healthcare services in the Commonwealth, serving approximately 81,000 Massachusetts residents daily, 1.5 million residents annually, and employing over 46,500 people. ABH and our members appreciate all efforts to support our mission, however, ABH policy opposes earmarks directed to specific providers in mental health and substance use treatment and recovery services accounts in state funding bills.

As we look to the FY27 budget, the following areas are of utmost concern:

- 1. Chapter 257 Rate Reserve (1599-6903).** In recent years, the Executive Office of Health and Human Services has established rates for human and social service workers based on the 53rd percentile of the applicable wage reported by the Bureau of Labor Statistics (BLS). Historically, this represents slow progress toward a goal of using the 75th percentile to determine salary benchmarks. However, even at current levels, the salaries for these direct care workers do not translate to a livable wage. Simply put, any reduction in rates, i.e. utilizing a BLS percentile lower than the 53rd, would put both this essential workforce and the vulnerable populations they serve at considerable risk.
- 2. MassHealth rates to Mental Health Centers.** Mental Health Centers (MHCs) are mental health clinics licensed by the Department of Public Health (DPH) that contract with MassHealth to provide outpatient behavioral health services. DPH and MassHealth regulations require MHCs to have a psychiatrist, a medical director, a mandatory range of therapy services, staffed after-hours coverage, and requisite operation hours. MHCs are among the diminishing settings in behavioral health that accept health insurance (both public and private) and they are core to the Commonwealth's safety-net. The services and access provided by MHCs make them valuable resources, not only for people seeking care, but as training grounds for new providers. However,

the additional cost of providing these services and access is not reflected in MassHealth rates. Community Behavioral Health Centers, a specialty subset of Mental Health Centers, have shown that sufficient funding can be transformative for systems of care and individuals – reducing Emergency Department boarding and inpatient utilization. The prolonged underfunding of outpatient behavioral healthcare has reached a tipping point where many traditional MHCs have been considering either closing or dramatically reducing services – and that is even before the added pressures expected from changing federal funding and policies.

3. **DPH Bureau of Substance Addiction Services (BSAS) Funding for the Uninsured as Payer of Last Resort (POLR).** The BSAS Payer of Last Resort funding serves as a critical safety net for individuals seeking substance use disorder (SUD) treatment services who are uninsured and/or underinsured. Without BSAS payer of last resort funding, individuals will be unable to access lifesaving addiction treatment, and the tremendous gains in reversing the overdose epidemic are likely to be lost. Spending growth in substance use-related civil commitment, (known as Section 35), and anticipated losses of Medicaid and commercial health insurance coverage due to federal policies are expected to contribute to a significant increase in costs associated with payer of last resort. It is imperative that payer of last resort policies and funding remain in place to provide lifesaving SUD services. It is equally important that payer of last resort costs do not overwhelm the BSAS budget to the detriment of other critical services the Bureau provides.
4. **Department of Mental Health (DMH) Adult Community Services and Children’s Services.** DMH funds treatment and services for adults and children for whom there is no other payer. Community services purchased by DMH include residential programs, community services attached to tenancy supports, psychiatrist-led community treatment teams, evidence-supported clubhouses, and many other services that support people in their recovery. These programs are the literal definition of safety net. ABH has deep concerns about any additional loss of community treatment and services for adults and children receiving services through DMH. Our worries include potentially unintended consequences such as leaving adults with serious, persistent mental illness homeless, having families face unsafe conditions trying to care for their loved ones, or causing significant setbacks to successful treatment. As we have said before, reductions in one budget cycle will impact people in need of care for years.

Each of these items has complexities that we would be more than happy to discuss with you and/or a member of your team in greater detail.

Please be in touch with me at lconley@abhmass.org or Liz Ganz, ABH Vice President of Government Affairs and Public Policy, at eganz@abhmass.org.

Thank you for your consideration of these issues and for your recognition of behavioral healthcare as an important part of the health care continuum.

Sincerely,



Lydia Conley
President & CEO

cc: Mathew Gorzkowicz, Secretary, Executive Office for Administration and Finance
Kiame Mahaniah, MD, Secretary, Executive Office of Health and Human Services