



November 26, 2014

Secretary John Polanowicz
Executive Office of Health and Human Services
One Ashburton Place, Room 1109
Boston, MA 02108

Re: EOHHS FY 2015 Budget

Dear Secretary Polanowicz:

On behalf of the membership of the Association for Behavioral Healthcare (ABH), thank you for the opportunity to comment on the Fiscal Year 2015 budget recommendations currently under development for the Executive Office of Health and Human Services (EOHHS) and its departments. As you know, ABH is a statewide association representing over 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 and over three-quarters of a million residents annually, and employing 37,500 people.

Ensuring that individuals and families have access to community-based mental health and addiction services that are person-centered, outcome-oriented and both clinically and cost effective is a goal we share with the Patrick Administration.

Stability for the Community Services

ABH strongly supports the philosophy of *Community First* – that whenever possible, individuals should live and be served in community settings, with minimum lengths of stay in acute and continuing care hospitals, and maximum diversion from inpatient care through use of community-based emergency services and alternative levels of care. To achieve this goal, however, the Commonwealth must commit the financial resources necessary to ensure adults and children with mental illness and/or substance use disorders have the ability to live successfully in their own communities.

Studies show that a lack of access to critical behavioral health care services remains a significant barrier to preventing and treating all types of health disorders and results in more expensive treatment being delivered in higher intensity settings.

While we are encouraged by the Administration's recognition of the importance of community-based mental health and substance use disorder services, the community behavioral healthcare system continues to struggle. Funding for services must be increased to ensure that individuals are able to access needed care and to provide stability for the community behavioral health system to the greatest extent possible.

Implementation of Chapter 257

ABH requests increased funding be included in Governor Patrick's House 2 budget to ensure full implementation of Chapter 257. It is critically important that House 1 include increased funding for the Department of Mental Health (DMH) and Department of Public Health (DPH), Bureau of Substance Abuse Services (BSAS) programs currently in the rate-setting process. We commend Governor Patrick for including estimated line-item funding for rate adjustments mandated through the Chapter 257 rate-setting process in the last two budget cycles and request that this year's recommendation includes funding for rate adjustments for important publically funded behavioral health services like Community Based Flexible Supports (CBFS) and the BSAS Residential Recovery system.

As you know, the goal of the Chapter 257 rate setting process is to bring stability to the health and human services system after years of financial instability. Prior to the law's passage in 2008, there were no safeguards in place to ensure rate adequacy and amounts paid for human and social services had not kept pace with over twenty years of inflation. Across the entire spectrum of health, social and human services, growing financial instability threatened the quality of care in community programs. The continued adherence to the Chapter 257 rate setting process is essential to ensure the human services the Commonwealth purchases are of high quality, and meet important safety guidelines.

Programs that have yet to see rate adjustments continue to face challenges in recruiting and retaining quality staff, and do not have the resources to invest in program maintenance or other improvements. Stagnant contracts have led to high staff turnover as providers cannot offer competitive salaries to the direct care and other staff that are essential to providing quality care. The salary challenge has been compounded in recent years as expanded and unfunded staff responsibilities have been imposed (medication administration, higher acuity cases, more complex, dually diagnosed cases, etc.) This has resulted in a vicious cycle as increased recruitment costs eat into dollars that would otherwise go to salaries, further depressing compensation packages.

It is essential the Commonwealth meet its statutory obligations through the Chapter 257 rate setting and review process.

Department of Mental Health

We believe that the community-based service system needs to be fundamentally strengthened in order to better coordinate and appropriately serve DMH clients. **We are therefore requesting additional line item funding to support the Chapter 257 rate setting process for both the Community Based Flexible Supports (CBFS) program and the upcoming Program of Assertive Community Treatment (PACT) rate setting process.**

Adequate funding for DMH is essential to maintaining supports for individuals across the Commonwealth in need of mental health services. DMH funding offers individuals with mental illness many critical community-based services that are not available through MassHealth or private insurance.

As the Commonwealth continues to move individuals from more restrictive, expensive levels of care to community placements, it is vital that resources exist to support successful programs that meet these client's needs. Providers continue to report serious concerns about their programs' level of staffing and resulting ability to assure staff and client safety while meeting the acute needs of individuals being discharged from inpatient units. Individuals being discharged from state hospital beds often depend on specially-focused resources to support their acute needs in the community. Issues of medical co-morbidity, forensic involvement, aging, and increasingly complex psychotropic medication needs are further challenges for community-based services given the availability of current resources.

The community system must have adequate funding to support these individuals successfully and to prevent them from continuing to cycle through more expensive levels of care. Programs like CBFS and PACT are essential to support DMH clients living in the community and preventing them from needing higher levels of care.

In addition, ABH requests maintenance funding to preserve DMH programming for children and adolescents, including funding to support the joint DMH/DCF Caring Together procurement.

Bureau of Substance Abuse Services

We are extremely grateful for Governor Patrick's continued commitment to preserving funding for substance use disorder treatment and prevention services.

ABH is requesting funding to maintain all existing services for BSAS, which includes the anticipated clinical enhancements to the Residential Treatment System/Recovery Homes. We urge the Governor to fund line item 4512-0200 at \$123,258,094. This figure includes an estimated \$26 million in new funding for Residential Recovery Home rate increases in compliance with Chapter 257 and the annualization of \$4.15 million from the Substance Abuse Services Fund for Section 35 programming, which will expire at the end of FY 2014.

The current BSAS Adult Residential Treatment/Recovery Homes System is composed of approximately 2,149 licensed beds sited across the state, whose reimbursement rate was last set in FY 2006. Since then, providers have implemented several new BSAS mandates including tobacco cessation and problem gambling specialty services, awake overnight staff, and client transportation, all without a rate adjustment.

Coupled with these unfunded mandates, BSAS is now in the process of redesigning the Residential model to better serve clients with more intensive needs, including those with co-occurring mental health issues. This clinically improved model is currently undergoing a rate setting process by EOHHS/CHIA.

A final rate will be established by the summer of 2014, at which time BSAS will re-procure its Residential Treatment system for a contract start date of January 1, 2015. For this reason, BSAS will need new funding to cover costs of operating this clinically enhanced system for only six months of FY15 instead of the entire fiscal year. ABH and our addiction coalition partners estimate that BSAS will need at least an estimated additional \$26 million to cover the cost of operating the clinically-strengthened Residential Treatment model.

We also request that you maintain existing funding for other BSAS-funded services (line items 4512-0201, 4512-0202, and 4512-0203). These critical substance use disorder prevention, treatment and recovery support services are an essential part of the Commonwealth's safety net and we are sincerely grateful for your continued support of these services. If funding for addiction treatment is cut, access to treatment will be reduced and the state will pay more to serve these same clients in emergency rooms, our court system and prison beds.

As you know, the Bureau of Substance Abuse Services also receives a federal block grant of \$34 million to fund Substance Abuse Prevention and Treatment services. The block grant requires that the state maintain its funding at a level that is at least equal to the average of the prior two-years of expenditures. This is referred to as the state's *Maintenance of Effort*. **Any cuts to the DPH/BSAS line items above will result in a loss of Block Grant dollars.**

MassHealth Behavioral Health

Medicaid finances medically necessary behavioral health services for individuals and families, thereby ensuring the stability of some of the most vulnerable individuals in our society. MassHealth behavioral health services do more than keep ill people off the streets; they keep people alive. As such, the Commonwealth must take steps to ensure that these valuable services continue to be available to the state's residents.

We thank the Patrick Administration for your support of Section 32 of Chapter 118 of the Acts of 2013 which will result in rate increases for outpatient behavioral health psychiatrists and other prescribers. We look forward to working with MassHealth on implementation of this important law.

Over the years, the erosion of MassHealth behavioral health rates has forced providers to make the difficult decision to close clinics or reduce access. Consequently, individuals with severe and persistent mental illness do not have access to vital, cost-effective, and medically necessary services. As EOHHS considers the FY 2014 budget, it must continue to address this critical issue. **We are, therefore, requesting further investment in MassHealth community based behavioral health outpatient services.**

Chapter 224 of the Acts of 2012 requires MassHealth to move aggressively towards new payment methodologies for health care for a large portion of its members. Masshealth has begun to enroll individuals in new programs for FY 2014 and demand on an already weakened system will only increase. Without increased access to outpatient behavioral health services, we believe the important goals of primary and behavioral health integration and the expansion of the ability of primary care providers to early identify, treat and refer individuals with behavioral health conditions will be unattainable. National studies on health care costs containment point to high physical healthcare utilizers having little or no behavioral health treatment. With behavioral health treatment and case management, those physical health costs can be reduced. **MassHealth is embracing this model but behavioral health services must be available for this vision to succeed.**

As the state continues to work to further develop and refine the Children's Behavioral Health Initiative (CBHI) system, adequate funding is necessary to ensure successful implementation of

the *Rosie D.* court order. These services are absolutely essential to strengthening our community-based mental health system to better serve children living with Severe Emotional Disturbance (SED) in Massachusetts.

If you have any questions or comments, I am happy to address them at your convenience. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Vicker V. DiGravio III". The signature is written in a cursive, flowing style.

Vicker V. DiGravio III
President/CEO

cc: Director Kristen Thorn, MassHealth
Commissioner Marcia Fowler, Department of Mental Health
Commissioner Cheryl Bartlett, Department of Public Health
Director Hilary Jacobs, Bureau of Substance Abuse Services