



March 4, 2011

Senator Stephen Brewer, Chair  
Senate Committee on Ways and Means  
State House, Room 212  
Boston, MA 02133

Representative Brian Dempsey, Chair  
House Committee on Ways and Means  
State House, Room 243  
Boston, MA 02133

*Re: FY 2012 Budget*

Dear Chairman Brewer, Chairman Dempsey and Honorable Committee Members:

On behalf of the membership of the Association for Behavioral Healthcare (ABH), thank you for the opportunity to comment on the Ways and Means Fiscal Year 2012 budget. As you may know, ABH is a statewide association representing eighty-four 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 117,000 Massachusetts residents daily and employing 22,000 people.

As you consider the FY 2012 budget, we strongly urge you to ensure that community-based behavioral health services are held harmless. As we explain below, our priorities for the Fiscal Year 2012 budget are as follows:

- Level fund the Bureau of Substance Abuse Services at \$83,485,802.
- Reject the cuts to the Department of Mental Health's (DMH) Clubhouse Services (\$3 million) and DMH's Children/Flex Supports Services (\$2 million) proposed by Governor Patrick.
- Require that the Department of Mental Health develop a specific plan for the state's mental health system before closing any additional inpatient beds. This should include a plan for how placements in the community system for impacted clients will be funded.
- Preserve vital MassHealth-funded behavioral health services.

### **Stability for 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 the goal of *Community First*, however, the Commonwealth must commit the financial resources necessary to allow adults and children with mental illness and/or substance use disorders to live successfully in their own communities. ABH and our members believe that current community resources are not sufficient to truly support recovery and resiliency for clients.

Lack of access to critical health care services remains a significant barrier to preventing and treating health disorders before they intensify and require costlier treatment in more intensive settings. ABH providers know from experience that access barriers to community-based mental health and addiction treatment services can be debilitating or even fatal.

While we have been encouraged by the Legislature's recognition of the importance of community mental health and addiction treatment services, the community behavioral healthcare system is still struggling with the budget cuts of a few years ago. Thousands of individuals and families are not able to access services and supports for mental health and/or substance use disorders. In light of this unacceptable situation, existing levels of services must be maintained in order 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.

Fair and adequate reimbursement rates are the cornerstone of a stable community-based behavioral health system. Inadequate rates directly impact the ability of providers to ensure that clients have access to the services they need to live in their communities. Over the years, the erosion of behavioral health rates has forced providers to make the difficult decision to close clinics or reduce access. As the Legislature considers the FY 2012 budget, it must not ignore this critical issue.

### **Department of Mental Health**

ABH believes that the community-based service system needs to be fundamentally strengthened, and better coordinated to appropriately serve Department of Mental Health (DMH) clients. The Governor's FY 2012 budget proposal reduces funding for the Department of Mental Health by \$21 million. These cuts include a \$2 million reduction to the Children/Adolescent Flex Support program which will impact approximately 175 children, a \$3 million cut to Clubhouse services which will impact approximately 2,000 clients, and a \$16.4 million cut to inpatient services which will result in the closure of approximately 160 inpatient beds. ABH is extremely concerned about these cuts to an already eroded community behavioral health system and requests that the Legislature restore this funding.

The Commonwealth cannot continue to reduce DMH inpatient capacity solely as a cost-saving initiative. In addition to maintaining existing services, additional funding for community based services will be required if the Department proceeds with further reductions to DMH inpatient capacity. The final report of the Department of Mental Health Inpatient Study Commission concluded that,

The community system must be strengthened. Community based services have been the heart of the DMH service delivery system for more than 30 years. Previous state hospital closings have succeeded as consumers were transitioned to high-quality services in or near their own communities. The community system, however, experienced significant mid-year "9C" budget cuts in October 2008.

An investment of funding for community services is necessary for DMH to replicate the success of earlier hospital closings.<sup>1</sup>

If the Commonwealth truly believes it can safely meet its public mental health mission with fewer inpatient beds, then increased funding for community services is critical in order to provide the resources necessary to safely and appropriately serve DMH clients in the community. To close inpatient beds as a budget-balancing measure without a corresponding investment in community services adds to the dangerous deterioration of the public mental health system resulting from years of budget cuts. The community-based continuum needs additional resources and staffing. Many individuals being discharged from state hospital beds need specially-focused resources to support their acute needs in the community.

Furthermore, the budget reductions of the past few years have eliminated or dramatically reduced many community services that had served DMH clients. The crisis in outpatient services most readily exemplifies this problem. In recent years, there has been a significant reduction in outpatient capacity which has reduced access to vital, cost-effective services for individuals with severe and persistent mental illness. The Commonwealth (DMH and MassHealth) need to provide adequate rates for outpatient mental health as well as sufficient resources to provide the full range of community-based services so that individuals living with mental illness may truly benefit from the Commonwealth's commitment to *Community First*.

In summary, adequate funding for the Department of Mental Health (DMH) is essential in order to maintain treatment for individuals across the Commonwealth in need of mental health services. DMH offers individuals with mental illness many critical community-based services that are not available through MassHealth or private insurance. We urge you to restore funding for the DMH community accounts (line items 5042-5000; 5046-0000; 5046-2000; 5047-0001; and 5055-0000) in order to avoid a shift toward more expensive interventions such as emergency rooms, acute inpatient care and homeless shelters.

### **Bureau of Substance Abuse Services**

While we were disheartened by the results of Question 1 in the November election, we are extremely grateful for the support of the Legislature both during and after the campaign. Going forward, we strongly urge you to continue this commitment to addiction treatment and prevention services by maintaining funding for the DPH/Bureau of Substance Abuse Services (line items 4512-0200, 4512-0201, 4512-0202, and 4512-0203). These critical addiction 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. If funding for addiction treatment is cut, access to treatment is reduced, and the state will end up paying more to serve these clients in emergency rooms, our court system and prison beds.

### **MassHealth Behavioral Health**

Medicaid finances medically necessary behavioral health services for individuals and families and helps ensure stability for some of the most vulnerable individuals in our society. For example, MassHealth psychiatric day treatment services provide essential services for individuals being

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<sup>1</sup> The Commonwealth of Massachusetts, Executive Office of Health and Human Services: Department of Mental Health. Department of Mental Health Inpatient Study Commission: Report and Recommendations. June 30, 2009. p. 9.

discharged from state hospitals and help ensure that individuals are able to remain in their communities. In addition, MassHealth behavioral health services also include vital addiction treatment services for individuals across the Commonwealth.

As you know, service implementation for the Children's Behavioral Health Initiative (CBHI) is underway. As the state continues to work to develop this new system, funding is necessary to ensure successful implementation of the *Rosie D.* court order. This funding is essential to strengthen our community-based mental health system to better serve children living with Severe Emotional Disturbance (SED) in Massachusetts.

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.

### **Human Services Salary Reserve**

At the time Chapter 257 of the Acts of 2008 (*An Act Relative to Rates for Human and Social Service Programs*) was enacted, it was understood that a salary reserve for human service workers would be funded until the law was fully implemented. Due to a number of implementation issues, *The Collaborative* (ABH, the Association of Developmental Disabilities Providers, and the Providers' Council) and the Patrick Administration recently agreed to amend Chapter 257 by extending the implementation timetable by 15 months. As it is, the salary reserve has not been funded for the past three years.

We recognize that full implementation of Chapter 257 will, over time, rectify the fact that human service employees are too often among the Commonwealth's working poor. However, due to the delay of implementation of Chapter 257, we are asking you to fund the human services salary reserve at \$28 million until the new law is fully implemented. This is a modest request to assist direct support staff making less than \$40,000 per year as they struggle with the condition of our state's economy.

### **Access to Health Insurance**

Human service providers struggle to provide affordable health insurance to their employees. Enabling human service providers who have contracts with the Executive Office of Health and Human Services to have access to the state's Group Insurance Commission (GIC) would decrease employer and employee costs, increase choice and access, and reduce staff turnover. The GIC's buying power may, in many cases, enable providers to purchase health insurance at a lower cost than that which is available to them in the open market. In addition, providers often have limited choice among health care plans for their employees. Access to the GIC will rectify this by enabling providers to choose from multiple plans, thereby increasing both choice and access.

While almost all ABH members offer health insurance coverage for their employers, cost – to both the employer and the employee – is increasingly prohibitive. As health insurance premiums rise, providers are forced to choose between affordability and quality — a decision that goes against the very nature of the state's health care reform achievements. Access to the GIC will increase the quality of life for our workforce and improve the quality of care provided in the community.

Community-based provider organizations embrace on a daily basis the opportunity to help individuals return to live in the community and begin to recover with the support of homes, jobs, peers, family and friends. Those same organizations, however, find it extremely frustrating and sometimes very troubling to try to do so without the resources necessary to allow individuals to achieve recovery to the fullest extent possible. For these reasons, we look forward to working with the Commonwealth on the difficult challenges that lay ahead.

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, slightly stylized font.

Vicker V. DiGravio III  
President/CEO