



January 31, 2014

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

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

***Re: Fiscal Year 2015 Budget***

Dear Chairman Dempsey, Brewer 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 Fiscal Year 2015 Budget. 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.

As you consider the FY15 budget, we urge you to ensure that community-based behavioral health services are adequately funded to meet the needs of individuals in the Commonwealth with severe and persistent mental illness and chronic addiction. We appreciate the strong commitment the Legislature has made to behavioral health services despite difficult fiscal constraints over the past few budget cycles. Nonetheless, existing community-based behavioral health services are not sufficient to meet the current demand for those services.

**ABH Budget Priorities for the Fiscal Year 2014 budget:**

- **Governor Patricks' budget proposal is devastating to the Department of Mental Health.** We are asking the Legislature to restore the Governor's proposed reductions to DMH community placement funding **to preserve all existing DMH Services.** Additional funding is vital to ensuring that adults **(5046-0000: \$366.5 million)** and children with mental health needs are able to continue to have access to current services **(5042-5000: \$87.5 million).**
- DMH does not have sufficient funding to support community placements for approximately 100 individuals that remain in DMH inpatient facilities even though they are "discharge ready". **We are also requesting an additional \$7.5 million in funding for new community placements for these individuals. (5046-0000: \$366.5 million)**
- Fund the Bureau of Substance Abuse Services (BSAS) **main line item 4512-0200 at \$88.6 million.** This funding is essential to **restore the \$3 million cut recommended in the Governor's Budget.** Without this additional funding, BSAS will be forced to cut existing services.

- **Fund the BSAS Jail Diversion line item equal to FY14 (4512-0202 - \$2 million), an increase of \$300,000 over the Governor's recommendation.** The loss of this funding would result in the closure of 11 jail diversion beds.
- Fund MassHealth at the **maintenance level recommended by the Governor**, which preserves existing behavioral health services.
- **Support the creation of the Chapter 257 Rate Reserve fund (1599-6903)** which will fund rate implementations in FY15.

Our goal with these requests is to ensure 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.

### **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.

Over the past several decades the locus of care and treatment for those with serious mental illness has shifted from hospital based institutional care to the community. While hospital levels of care are important components of a comprehensive system of care, the overwhelming majority of individuals living with a mental illness receive most or all of their care in the communities where they live. The Commonwealth's capacity to meet the needs of individuals living with a mental illness depends upon a robust and responsive community-based system of care.

While we continue to be encouraged by the Legislature's recognition of the importance of community-based mental health and substance use disorder services, the community behavioral healthcare system continues to struggle. As a result, thousands of individuals and families are unable to access services and supports for mental health and/or substance use disorders. **Governor Patrick's budget proposes eliminating services at both the Department of Mental Health (DMH) and the Bureau of Substance Abuse Services (BSAS). 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.**

### **Department of Mental Health**

The DMH Community Accounts are not sufficiently funded to truly support recovery and resiliency for clients. DMH offers individuals with mental illness many critical community-based services that are not available through MassHealth or private insurance. Adequate funding for DMH is essential to maintaining community supports for individuals across the Commonwealth in need of mental health services.

**Governor Patrick's budget proposal is devastating to the Department of Mental Health and would require 215 children and families and 250 adults to lose the vital DMH services that**

**allow them to live independently in their own homes and communities.** The Legislature must include this additional funding to protect existing community-based services for child, adolescent and adult DMH clients (**5046-0000 - \$366.5 million**, \$1.8 million over H2; **5042-5000 - \$87.5 million**, \$1.3 million over H2).

**ABH also requests critical additional funding for DMH (\$7.5 million over H2 – 5046-0000) to create new community-based placements for individuals currently in DMH hospital care who are ready to be discharged.** Strengthening community-based services with new investments is especially important given that there are currently 100 individuals “stuck” in DMH facilities simply because there is not sufficient funding available to create appropriate community-based placements to meet their needs. DMH needs additional funding to create community-based placements to allow these individuals to live their lives beyond the confinement of a hospital setting.

By expanding access to community-based services, **the Legislature can have a direct impact on the current Emergency Department Boarding Crisis.** These “discharge ready” DMH clients are currently occupying beds that when open, would help to alleviate the bottle neck that exist throughout the public and private psychiatric in-patient system. These “stuck” individuals average a two year length of stay in DMH continuing care beds. Funding placements for these 100 “stuck” individuals will reduce that bottle-neck and increase the flow of individuals through DMH operated continuing-care beds, given that the average length of stay in a DMH continuing care facility is approximately 180 days.

ABH supports the DMH proposal to fully open the Worcester Recovery Center and Hospital. We understand and support the Department’s decision to close Taunton State Hospital as part of the overall plan to ensure the operation of the new state of the art facility in Worcester. The Administration’s plan to maintain 626 continuing care beds across the state and 32 acute care beds in Southeastern Massachusetts reflects the recommendations of the DMH Inpatient Study Commission which met in 2009.

We strongly believe, however, that **DMH must commit to maintaining a continuing care inpatient presence in Southeastern Massachusetts** once it has closed Taunton State Hospital. For many years, DMH has provided access to a full continuum of care in Western Massachusetts, including a forty bed vendor-operated continuing care inpatient unit. ABH encourages the Legislature to support a similar model in Southeastern Massachusetts.

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

ABH is requesting the Legislature fund the Bureau of Substance Abuse Services (BSAS) **main line item 4512-0200 at \$88.6 million.** This funding is essential to **restore the \$3 million cut recommended in the Governor’s Budget.** Without this funding, BSAS will be forced to cut existing services. This funding level also includes **\$1.3 million in new funding proposed by the Governor** to support Section 35 programming, including a central intake system, addiction specialists placed in specific courts and expanding detoxification and post detox step-down services.

**We also request that you maintain existing funding for other BSAS-funded services (line items 4512-0201, 4512-0202, and 4512-0203).** The Governor’s budget recommends level

funding of both 4512-0201 and 4512-0203, but includes a \$300,000 cut in funding for the BSAS Jail Diversion program (4512-0202). The loss of this funding would result in the closure of 11 jail diversion beds.

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 receives a federal block grant 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*. **It is essential that DPH/BSAS funding meets the Maintenance of Effort requirement so as not to lose federal 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. As such, the Commonwealth must take steps to ensure that these valuable services continue to be available to the state's residents.

Over the years, the erosion of behavioral health outpatient rates across all payers has forced providers to make the difficult decision to close outpatient clinics or reduce clinic capacity. Consequently, many individuals with severe and persistent mental illness have increasing difficulty accessing these vital, cost-effective, and medically necessary services. Despite recent new initiatives designed to preserve the existing outpatient system, the committee must further address this critical issue to ensure ongoing access to outpatient services. **We are, therefore, requesting the Legislature support further investment in community-based behavioral health outpatient rates.**

ABH is grateful for the recent Legislative supportive of additional outpatient funding. An increased rate for psychiatrists and other prescribers was included in a section of the October supplemental budget (Section 32 of Chapter 118 of the Acts of 2013). MassHealth is currently working on regulations to operationalize this increase, which should have been effective January 1, 2014.

Despite this increase, ABH continues to be concerned about the long-term viability of outpatient mental health and addiction services. Outpatient treatment is the foundation of the community-based delivery system upon which all other services are built.

For any community-based system of care to be responsive, access to outpatient services needs to be rapid and flexible. Absent responsive outpatient services, treatment needs go unaddressed; problems worsen over time and demand for higher and more expensive levels of care increases. Ideally, a person experiencing a mental health or addiction problem should whenever necessary receive care through outpatient services. It is vital that we shore-up the infrastructure of the outpatient service system.

As you know, the Children's Behavioral Health Initiative (CBHI) is well underway. As the state continues to work to further develop and refine this new system, adequate funding is necessary to ensure ongoing 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.

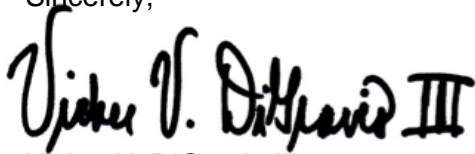
**Implementation of Chapter 257 and Human Services Salary Reserve**

We thank the Legislature and the Administration for its continued efforts to implement Chapter 257. This year has seen significant progress towards important milestones in implementation. We commend Governor Patrick for including the creation of a Chapter 257 rate reserve fund which will fund rate implementations in FY15.

**ABH is concerned that the Governor's funding recommendation for this account (1599-6903 - \$25.2 million) will be inadequate to fulfill the Commonwealth's FY'15 commitments.** Many rates are up for review, including large service categories like DMH Community Based Flexible Supports, BSAS Residential Programs, as well as mandated 3 year rate adjustments for service categories that went through the Chapter 257 process previously.

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

Sincerely,



Vicker V. DiGravio III  
President/CEO

- cc: Senator Jennifer L. Flanagan, Vice Chair, Senate Committee on Ways and Means
- Senator Sal N. DiDomenico, Assistant Vice Chair, Senate Committee on Ways and Means
- Representative Stephen Kulik, Vice Chair, House Committee on Ways and Means
- Representative Cheryl Coakley-Rivera, House Committee on Ways and Means
- Members of the House Committee on Ways and Means
- Members of the Senate Committee on Ways and Means