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ASSOCIATION
FOR BEHAVIORAL
HEALTHCARE

March 25, 2021

Dr. Stuart Altman, Chair
Board of Commissioners
Massachusetts Health Policy Commission
50 Milk Street, 8th Floor
Boston, MA 02109

Re: 2021 Health Care Cost Growth Benchmark Hearing

Dear Dr. Altman and Members of the Board:

The Association for Behavioral Healthcare (ABH) is a statewide association representing 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. Thank you for the opportunity to submit written testimony on the potential modification of the health care cost growth benchmark for this fiscal year.

ABH supports the Health Policy Commission's efforts and those of other stakeholders to slow the growth in overall health care spending. It is important, however, that policy makers and payers recognize the importance of behavioral health treatment in not only improving the quality of health care in the Commonwealth, but also as being critical to controlling increasing medical costs. These services are continuously undervalued; while individuals with behavioral health diagnoses drive a significant majority of total healthcare costs in the country, behavioral health services represent only a small fraction of total spending.¹ Increased investment in community-based behavioral health services can decrease the amount the Commonwealth spends on their costliest individuals.

We urge the Health Policy Commission to further examine current spending levels on behavioral health services, the settings in which Commonwealth is investing, and strategies for targeting the highest cost behavioral health patients. Adequately valuing these services enhances our understanding of costs and reflects an acknowledgment of the importance of mental health and addiction treatment to the overall health and wellbeing of our Commonwealth residents.

Such proposed adjustments require targeted and strategic investment in behavioral healthcare. ABH supports the Governor's 2019 healthcare recommendation in H4134, *An Act to improve health care by investing in VALUE*, to increase investment in primary and behavioral healthcare

¹ Davenport, Stoddard; Gray, T.J.; Melek, Steve. How do individuals with behavioral health conditions contribute to physical and total healthcare spending? August 13, 2020. Milliman Research Report.

by increasing base spending by 10% a year for the next three years, while keeping total spending in the system at no more than 3.1% per year. We believe the Baker-Polito Administration's proposed Behavioral Health Roadmap lays an early foundation for significant rebalancing of healthcare resources toward behavioral healthcare.

ABH and our members know that an individual's behavioral health needs do not dissipate if needs are not addressed in the community, but instead show up in other settings – such as emergency departments or acute inpatient hospitals. Reliance on such downstream levels of care is short-sighted, costly, and not always clinically appropriate. Further, it runs counter to federal standards requiring that people with disabilities be treated in the most integrated and least restrictive setting appropriate, as set forth in the landmark *Olmstead* decision. A robust outpatient, community-based system that delivers high-quality and timely mental health and addiction treatment must be the backbone around which all other behavioral health services are built.

Increased investments in community behavioral health care services will lead to significant savings on medical spending. As you know, prevalent data shows that the cost of treating medical conditions for individuals with co-morbid medical and behavioral health diagnoses is three- to six-times higher than treating individuals with who do not have a co-morbid behavioral health condition.¹ In Massachusetts, readmission rates are 50-94% higher among patients with behavioral health comorbidities and hospital stays are 14% longer, on average.²

However, outpatient mental health and addiction services that could prevent utilization of emergency and acute services suffer from chronically low commercial and public reimbursement rates and dire workforce challenges. While ABH deeply appreciates recent investments by MassHealth in the public system, these programs continue to grapple with decreased service volumes due to COVID-19 and staff vacancies, increasing financial losses and rate stagnation. FY20 data from some of our largest volume provider organizations shows the average loss exceeded \$1 million annually. These trends increase prescriber wait times and threaten to close programs. Consequently, individuals with severe and persistent mental illness do not have access to vital, cost-effective, and medically necessary services.

Low reimbursement rates translate directly to access imbalances between primary and behavioral healthcare. As the Commonwealth continues to elevate issues of parity within the context of the delivery of behavioral health and physical health services, we urge recognition and action around continued disparities in wages paid to staff in those settings. There is no reason that wages in behavioral health settings should not be on par with wages paid in physical health settings. Yet recent Gallagher survey data found that for an independently licensed clinical social worker, ABH members pay \$58,781, community health centers pay \$67,246, and acute hospitals pay \$78,270.

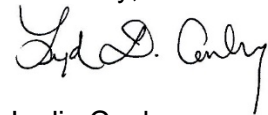
In addition to increased rates, coverage must also be expanded. ABH believes strongly that all health insurance payers, particularly commercial insurers, should be required to cover more diversionary and recovery-focused services for individuals with mental health and substance use disorders. Our members operate several services across the care continuum - from Emergency Service Programs (ESPs) and crisis stabilization to residential recovery services - that are currently inaccessible to those with commercial insurance.

² Center for Health Information and Analysis. Behavioral Health & Readmissions in Massachusetts Acute Care Hospitals, October 2020.

ABH supports integrated care models that bring behavioral healthcare into primary care settings, and believe that this will enable more people to engage in mental health and substance use services as well as decrease stigma associated with addressing behavioral health. However, many of our provider groups deliver specialty behavioral health services, including services that provide longitudinal treatment and diversionary services for individuals with mild to serious disorders. Many of these services are not well suited to primary care offices. Efforts must be made to coordinate and link these behavioral health services with primary care, so that an individual can access specialty, patient-centered care when clinically appropriate. This includes the promotion of payment methodologies that support specialty behavioral health partners. In many collaborative care models, the specialty system partnering with primary care is not adequately resourced. In addition, payment methodologies and regulatory strategies should support bidirectional integration, as many individuals with moderate to serious behavioral health disorders prefer to access their care through specialty behavioral health providers that are skilled in meeting their unique needs.

Thank you for your consideration of the issues raised in this letter. I am available at your convenience if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Lydia D. Conley". The signature is written in a cursive style with a large initial "L" and "C".

Lydia Conley
President/CEO