

Introduction

Good morning. My name is Paul Velho, and I am the Senior Manager of Behavior Health Strategy and Finance in the MassHealth Office of Accountable Care and Behavioral Health within the Executive Office of Health and Human Services (EOHHS). I am here to present staff testimony on proposed amendments to 101 CMR 352.00: *Rates for Certain Children's Behavioral Health Services*, effective for dates of service on or after August 1, 2025.

Background

Regulation 101 CMR 352.00 establishes rates of payment to providers of Children's Behavioral Health Initiative (CBHI) services. CBHI services provide a comprehensive system of care for MassHealth members under 21 years of age with significant behavioral, emotional, and mental health needs, and their families. CBHI services are provided by Community Service Agencies (CSAs) and other providers and include Intensive Care Coordination (ICC), Family Support and Training (FS&T), In-Home Therapy (IHT), In-Home Behavioral Services (IHBS), Therapeutic Mentoring (TM), and Mobile Crisis Intervention (MCI) in hospital emergency departments (EDs). Regulation 101 CMR 352.00 refers to 101 CMR 305: *Rates for Behavioral Health Services in Community Behavioral Health Centers* for Youth MCI services provided in community-based settings. MCI, IHBS, IHT, and ICC all occur at professional and paraprofessional levels, each with its own rate. FS&T and TM occur only at the paraprofessional level. ICC-FS&T bundled services are paid on a *per diem* basis. All other services—including FS&T when provided separately—are billed as 15-minute units.

Proposed Amendments

The proposed amendments update rates for current services in this regulation. All current rates and their respective models were reviewed. The proposed rates for current services were developed by updating model budgets with inputs from two data sources: provider salaries from May 2023 bureau of labor statistics (BLS) salary data for Massachusetts, and other expenses primarily from FY 2023 CBHI uniform financial reports (UFRs). From the Massachusetts BLS data, current model budget salary benchmarks were updated using the average of 2023 BLS median and 75th percentile for comparable occupations as grouped for current rate models. From

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the UFRs, tax and fringe benefits were calculated, including Paid Family and Medical Leave, and other direct costs at the median percentage of salaries. Indirect overhead costs, which were capped at the 85th percentile, were calculated at the median percentage of direct costs for ICC and FS&T services and at the weighted average percentage of direct costs for IHT, IHBS, and TM. Staff types and assumptions on full-time employees (FTEs) reflected in the current model budgets were maintained in calculating the proposed rates. Lastly, existing productivity assumptions used in rate denominators were retained for all services, except for IHBS-MA. The productivity assumptions for IHBS-MA were changed to align total billable hours for IHBS-MA with those for IHT-MA.

EOHHS also proposes establishing a new high-intensity, high-touch service, Family-based Intensive Treatment (FIT). The proposed weekly rate for FIT is anticipated to support youth and family interventions occurring on average three to five times a week over a four-month period, and the service components will include assessment of the member, development and review of an individualized treatment plan, development and review of safety or crisis planning tools, intensive therapeutic interventions for the youth and family, referral and coordination of other services and supports, skills training, and coaching. FIT provides a combination of targeted case management, and IHT and FS&T services at a higher level of intensity.

The model budget for FIT services is patterned after the ICC-FS&T model budget, including aligning salaries, staff types and other benchmarks, with certain adjustments. The anticipated staffing consists of the same staff types as ICC-FS&T but establishes different ratios, including the addition of clinical staff that provide intensive IHT, and a consulting MA-level behavioral management therapist. The proposed weekly rate of \$1,115.05 per case assumes a high-intensity team caseload of 20 over the course of a 52-week year.

In addition, EOHHS proposes to remove the current rates established in 101 CMR 352.00 for MCI services (codes H2011-HN and H2011-HO) provided in a "hospital emergency department" as these services are now provided by acute hospitals and paid for by MassHealth directly to acute hospitals for those services.

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The proposed rates are in accordance with M.G.L. Chapter 118E Section 13C, requiring that rates established by EOHHS for health care services be "adequate to meet the costs incurred by efficiently and economically operated facilities providing care and services in conformity with applicable state and federal laws and regulations and quality and safety standards and which are within the financial capacity of the commonwealth."

Fiscal Impact

There is no anticipated fiscal impact on fee-for-service (FFS) spending for the proposed rates as there is no current FFS utilization of the services receiving increases or being established.

This concludes my testimony.