

**State of Maryland
Department of Health**

**Nelson J. Sabatini
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Health Services Cost Review Commission

4160 Patterson Avenue, Baltimore, Maryland 21215
Phone: 410-764-2605 · Fax: 410-358-6217
Toll Free: 1-888-287-3229
hsrc.maryland.gov

February 26, 2020

The Honorable Shane E. Pendergrass, Chair
Health and Government Operations Committee
Room 241, House Office Building
Annapolis, MD 21401

Dear Chair Pendergrass and Committee Members:

The Health Services Cost Review Commission (“HSCRC”) submits this letter of information with amendment for House Bill 1121 (HB 1121) titled, “Maryland Mental Health and Substance Use Disorder Registry and Referral System”. HB 1121 establishes a Maryland Mental Health and Substance Use Disorder Registry and Referral System through which health care providers can identify and access available inpatient and outpatient mental health and substance use services for patients.

HSCRC staffers attended each of Vice Chair Pena-Melnyk’s Behavioral Health Solutions Workgroup meetings and acknowledges the impact that unmet behavioral health needs have on communities at large and on hospitals, particularly when it comes to Emergency Departments (ED). Patients with behavioral health needs, especially those with substance dependency, have unique needs and may require isolated space and ongoing supervision for protracted periods while ED personnel pursue placement and appropriate outpatient services. The opioid crisis has also increased the number of patients being transported to the ED who require immediate treatment, which can further impact ED processes. These outcomes all lead to increased ED wait times and higher total cost of care. In addition, patients who are violent also present the potential of disrupting ED operations or harming others. For these reasons, HSCRC understands the need to develop programs that address the shortage of behavioral health resources.

To address behavioral health needs for populations across the State, HSCRC has followed the State’s lead and built incentives for hospitals to invest in improving substance misuse and behavioral health needs in non-hospital settings under the Total Cost of Care (TCOC) Model. The HSCRC and Maryland Department of Health (MDH) recently signed a Memorandum of Understanding with the federal government to support the implementation of the Statewide Integrated Health Improvement Strategy, which is intended to address key State-defined health

priorities. As part of this arrangement, the State will establish specific improvement goals and milestones in the health priority areas by the end of 2020. The opioid crisis is one of those priorities, so the HSCRC is working with a wide array of stakeholders to set improvement targets and implement strategies to manage care for Marylanders who need crisis services.

Additionally, to support these efforts, the HSCRC has recently redesigned its Regional Partnership grant program to support hospitals and their community partners with additional resources to help patients with behavioral health crisis needs. The Regional Partnership Grant Program should further encourage hospitals to invest in programs that help address behavioral health needs in the right setting.

These efforts notwithstanding, the HSCRC has received multiple requests this Legislative Session to build additional funding into hospital rate structures. These requests add up over time and, if implemented, would result in an increase in the total cost of care in the State. Under the TCOC Agreement, the State is required to reach \$300 million per year in total cost of care savings by 2024. Initiatives that result in an increase in the total cost of care could threaten the State's ability to achieve its savings goals under the TCOC Agreement and would jeopardize all the benefits that the State's Medicare waiver brings to Marylanders. These benefits include equitable funding of Uncompensated Care, which improves access for many patients with behavioral health needs, as well as a payment mechanism for the state-designated health information exchange (CRISP), which furthers statewide coordination.

Finally, under the TCOC Agreement, the HSCRC is required to provide written notice to the Centers for Medicare and Medicaid Services (CMS) regarding any new payment methodology that affects the hospital rate-setting system. Under the agreement, CMS then has the authority to accept or reject the change (Section 8. a. iii., pp. 17-18). CMS' authority to make the final decision applies to hospital rate-setting system changes created in legislation passed through the Maryland General Assembly.

Because of these reasons, the HSCRC cautions against using the hospital rate-setting system as the source of funding for the behavioral health bed registry system. Instead, HB 1121 should include the establishment of a workgroup to identify alternative sources of funding for the bed registry. The HSCRC respectfully requests the bill adopt the below amendment.

Sincerely,

A handwritten signature in cursive script that reads "Tequila Terry". The signature is written in black ink and is positioned above the printed name and title.

Tequila Terry
Deputy Director

HSCRC PROPOSED AMENDMENT

On page 3, in line 28, strike “**THE HEALTH SERVICES COST REVIEW COMMISSION; OR**”.

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