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Testimony for SB659 Maryland Medical Assistance Program – Psychiatric Inpatient Care –
Admissions Restrictions (Psychiatric Hospital Admissions Equity Act)

Senate Finance Committee

Date: February 22, 2022

From: Schizophrenia & Psychosis Action Alliance (S&PAA), Evelyn Burton, Maryland Advocacy Chair

Position: Support

The Schizophrenia & Psychosis Action Alliance (S&PAA) strongly supports SB659. Until very recently the Maryland Department of Health (MDH) enforced a policy requiring hospital emergency departments to obtain admission denials from the psychiatric units of five general hospitals before allowing Medicaid psychiatric patients to be transferred to an open bed at a specialty psychiatric hospital (IMD) such as Sheppard Pratt.

The purpose of this misguided policy was strictly to save the state money, even though it was damaging to the welfare of the patients and the hospitals. MDH had agreed to pay IMD's for Medicaid patients, since Federal law prohibited Medicaid payments for adults 18-64 years of age in IMD hospitals. (The IMD exclusion.) Therefore, the state saved money if Medicaid patients were treated instead, in the psychiatric units of general hospitals which could receive Medicaid payments, where the Federal government contributes fifty percent.

The MDH policy ignored the principal of treatment according to medical necessity. The policy caused unnecessary delays in transferring patients who urgently needed hospital treatment. It resulted in increased emergency department crowding and boarding, increased the risk of trauma and harm to the patient and harm to emergency department staff as the patient continued to deteriorate without needed inpatient care. It also increased the risk of the patient needing a longer hospitalization stay to stabilize, since an increased time of untreated psychosis is associated with an increased treatment response time. This policy also created additional health and access disparities between the Medicaid and commercially insured populations as such a barrier was only in place for Medicaid insured patients.

As a result of extensive advocacy by S&PAA and its families, over the past 18 months, the Maryland Health Department agreed to apply for the Federal IMD exclusion waiver which allows Medicaid to pay for inpatient stays in an IMD hospital for those previously under the IMD exclusion. This waiver was approved effective Jan. 1, 2022. Therefore, the Maryland Health Department rescinded their policy requiring five denials from General Hospitals before a patient could be placed in an open bed in an IMD hospital.

However, **SB659 is still very much needed** because the IMD waiver approval is only for 5 years and requires continued compliance with required limits on the average length of stay in an IMD. Therefore, there is no assurance how long the waiver will last or if it will be renewed. Enacting HB 684 would prevent MDH from reinstating the same or similar detrimental policies in the future, especially if the IMD Waiver is modified, discontinued or not renewed. Therefore, S&PAA requests that you give SB659 a favorable report.