Maryland
DEPARTMENT OF HEALTH

Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Acting Secretary

January 30, 2024

The Honorable Chair Pamela Beidle,
Chair, Senate Finance committee
3 East Miller Senate Office Building
Annapolis, MD 21401-1991

RE: SB 212-Behavioral Health Advisory Council and Commission on Behavioral Health Care Treatment and Access - Alterations – Letter of support

Dear Chair Beidle and Committee Members:

The Maryland Department of Health respectfully submits this letter of support for **SB 212** Behavioral Health Advisory Council and Commission on Behavioral Health Care Treatment and Access - Alterations.

This bill seeks to update the membership and terms of members for the Behavioral Health Advisory Council (BHAC) and support the Commission on Behavioral Health Care Treatment and Access in coordination with BHAC to study and develop recommendations on the financing structure and quality oversight necessary to integrate somatic and behavioral health services in the state Medicaid Program.

Last session, the General Assembly passed legislation establishing the Commission. Once appointments were made, the Commission quickly got to work and held meetings to review prior reports, engage in a needs assessment, and put forth recommendations for future initiatives. The Commission has completed an initial report to the legislature. Eleven Department employees provide day to day staff for the Commission, and the Commission also has the commitment of leadership dedicated to its work.

In parallel, federal law requires the Department to maintain a Behavioral Health Advisory Committee. This Committee is required in order to receive block grant funding from the Substance Abuse and Mental Health Services Administration. The goal of this legislation is to streamline efforts in order to maximize the effectiveness of stakeholder input. Many members of the Commission also sit on the Committee. This bill would allow for joint meetings and reporting and extends Commission reporting deadlines to reflect when the Commission was able to start meeting.

The bill also requires the Commission to research and make recommendations to the Governor and General Assembly regarding integrating behavioral health services into Maryland's Medicaid program. Maryland currently separates, or "carves out," Medicaid financing of behavioral health services from its Medicaid Managed Care Organizations (MCOs). This carve out, established in 1997 for mental health services, aligned with a national trend at the time that saw carving out behavioral health services as a promising approach to (1) protecting funding for behavioral health, (2) establishing specialty

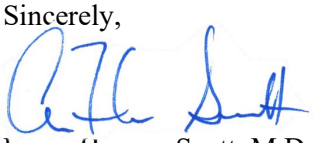
provider networks who could provide specialty behavioral health services, and (3) mitigating insurance plans from limiting their behavioral health benefits.[1,2]

In recent years, there has been a growing national discussion and shift to "carve-in" and integrate behavioral health to Medicaid MCO financing.[2,3] A key driver of this trend is that evidence has shown that strategies to enhance clinical integration of behavioral health and physical health can improve patient care outcomes.[2] Studies have shown that "carve-in" states outperform "carve-out" states by a wide margin, saving Medicaid $2.06 billion in state and federal expenditures, with notable changes including an overall decrease of 6% in Medicaid costs per prescriptions and a 14.6% lower net cost for the MCO-paid prescriptions than the average in the FFS states. [3] Similarly, a study done by the National Institutes of Health found that the financial integration of physical and behavioral health in Medicaid managed care was associated with greater access to behavioral health services, particularly for individuals with mild or moderate mental health conditions and for black enrollees, which can help advance the fight for health equity. The current "carve-out" and separate financing of care may inhibit reimbursement for services, create challenges in referring patients from primary care to behavioral health specialists, and impede communications, which altogether can have a detrimental impact on patient health outcomes.

Given the potential benefits and risks it is important for Maryland to assess next steps on behavioral health integration through research and stakeholder engagement. The recently established Commission on Behavioral Health Care Treatment and Access is tasked with reviewing research and making recommendations to guide the State on providing appropriate, accessible, and comprehensive behavioral health services. Adding the task of researching and making recommendations on integrating behavioral health services is an important next step to determine whether this is the right next step for Maryland.

If you have any further questions, please contact Sarah Case-Herron, Director, Office of Governmental Affairs at sarah.case-herron@maryland.gov.

Sincerely,



Laura Herrera Scott, M.D., M.P.H.
Secretary

[1] Financial integration of behavioral health in Medicaid managed care organizations: A new taxonomy (2021) https://www.ohsu.edu/sites/default/files/2021-05/McConnell%20et%20al.%20Financial%20Integration%20of%20Behavioral%20Health%20in%20Medicaid.pdf

[2] Carve-In Models for Specialty Behavioral Health Services in Medicaid (2022) https://www.rand.org/pubs/research_reports/RRA1517-1.html

[3] "Comparison of Medicaid Pharmacy Costs and Usage in Carve-In Versus Carve-Out States – The Menges Group." *The Menges Group*, 16 April 2015, https://themengesgroup.com/2015/04/16/comparison-of-medicaid-pharmacy-costs-and-usage-in-carve-in-versus-carve-out-states/. Accessed 23 August 2023.