



March 7, 2023

**Senate Finance Committee  
TESTIMONY IN SUPPORT**

*SB 581 – Behavioral Health Care Coordination Value-Based Purchasing Pilot Program*

Behavioral Health System Baltimore (BHSB) is a nonprofit organization that serves as the local behavioral health authority (LBHA) for Baltimore City. BHSB works to increase access to a full range of quality behavioral health (mental health and substance use) services and advocates for innovative approaches to prevention, early intervention, treatment and recovery for individuals, families, and communities. Baltimore City represents nearly 35 percent of the public behavioral health system in Maryland, serving over 78,000 people with mental illness and substance use disorders (collectively referred to as “behavioral health”) annually.

**Behavioral Health System Baltimore supports SB 581 – Behavioral Health Care Coordination Value-Based Purchasing Pilot Program.** Value-based purchasing (VBP) programs have great potential to save costs and improve care. They should be expanded upon and further considered by the state.

VBP programs, in contrast to traditional fee-for-service (FFS) that rewards volume, reward providers for reaching certain outcomes like reduced hospital emergency department (ED) and inpatient usage. This model of care has been used in other systems like Medicare and the Maryland Total Cost of Care approach to hospital financing for many years but has not been fully explored in for behavioral health in Maryland. Twenty-two other state Medicaid programs require plans to implement VBP in behavioral health and Maryland should do the same.

VBP is not a novel or risky approach to care. In Baltimore City, BHSB has overseen the capitation program for several years, serving 350 of the highest need residents in the City. The capitation program uses similar tenets to VBP and has shown significant promise in improving care and lowering costs. VBP pilots in other parts of the state could add to this growing evidence base and help the state innovate in caring for the hardest to serve individuals living with behavioral health conditions.

Too many Marylanders with severe mental illness are cycling through hospital emergency departments and VBP could help improve their care and break this cycle. **We urge a favorable report of SB 581.**

***For more information, please contact BHSB Policy Director Dan Rabbitt at 443-401-6142***