



March 5, 2023

The Honorable Melony Griffith
Finance Committee
3 East - Miller Senate Office Building
Annapolis, MD 21401

RE: Support – Senate Bill 581: Behavioral Health Care Coordination Value-Based Purchasing Pilot Program

Dear Chair Griffith and Honorable Members of the Committee:

The Maryland Psychiatric Society (MPS) and the Washington Psychiatric Society (WPS) are state medical organizations whose physician members specialize in diagnosing, treating, and preventing mental illnesses, including substance use disorders. Formed more than sixty-five years ago to support the needs of psychiatrists and their patients, both organizations work to ensure available, accessible, and comprehensive quality mental health resources for all Maryland citizens; and strive through public education to dispel the stigma and discrimination of those suffering from a mental illness. As the district branches of the American Psychiatric Association covering the state of Maryland, MPS and WPS represent over 1000 psychiatrists and physicians currently in psychiatric training.

MPS/WPS support Senate Bill 581: Behavioral Health Care Coordination Value-Based Purchasing Pilot Program (SB 581), which essentially creates a mental health capitated mental health pilot program. Capitation programs for mental health are payment models in which healthcare providers are reimbursed based on the number of patients enrolled in their program, rather than the volume or complexity of services provided to each patient. In other words, the provider receives a set amount of money per patient, regardless of how many services are rendered.

These programs are designed to encourage healthcare providers to deliver cost-effective and efficient care, by incentivizing them to focus on preventive measures, early intervention, and holistic approaches to care that address the root causes of mental health problems. Under capitation programs for mental health, healthcare providers are responsible for managing the full range of mental health services for their enrolled patients, including assessment, diagnosis, treatment, and ongoing care. Providers are also responsible for coordinating care with other healthcare professionals, such as primary care physicians, specialists, and community-based organizations.

Capitation programs for mental health can be structured in various ways, such as per member per month (PMPM) payments, fee-for-service (FFS) with a cap on total spending, or a hybrid of the two. The specific structure and payment amount depend on the needs of the patient



population, the local healthcare market, and the goals of the program. Overall, capitation programs for mental health aim to improve the quality and accessibility of mental health services while containing costs and promoting accountability among healthcare providers. Therefore, MPS/WPS ask this committee for a favorable report on SB 581. If you have any questions with regard to this testimony, please feel free to contact Thomas Tompsett Jr. at tommy.tompsett@mdlobbyist.com.

Respectfully submitted,

The Maryland Psychiatric Society and the Washington Psychiatric Society
Legislative Action Committee