



Written Testimony

Senate Bill 284 – Budget Reconciliation and Financing Act of 2026

Senate Budget & Taxation Committee

March 4, 2026

On behalf of Sheppard Pratt, the nation's largest nonprofit behavioral health provider and statewide safety-net system serving more than 80,000 patients annually across 380+ sites in 16 jurisdictions, thank you for the opportunity to submit favorable with amendments testimony on the Budget Reconciliation and Financing Act of 2026.

We appreciate the Administration and the General Assembly's commitment to protecting behavioral health, maintaining Medicaid coverage, and prioritizing the most vulnerable. We appreciate the difficult fiscal environment confronting the State and the uncertainty facing Maryland's budget in FY27 and beyond.

At the same time, demand for behavioral-health care has never been higher. Maryland continues to face:

- High levels of youth suicidal ideation, with Maryland ranking among the top five states in the country for serious youth suicidal thoughts.
- A 30% year-over-year increase in calls to Maryland's 988 helpline as of September 2025.
- More than 1,300 overdose deaths in 2025, reflecting sustained need for treatment access and stabilization services.
- Long-standing workforce shortages and capacity constraints across outpatient, school-based, crisis, and hospital systems.

In this context, it is critical that the BRFA not unintentionally disrupt the progress Maryland has made in expanding access to community-based behavioral-health care. We therefore request amendments to address three major areas where SB284/HB392 would significantly impact access, outcomes, and system costs.

1. Reject the 20% (\$20M) Annual Reduction to the Consortium on Coordinated Community Supports

Maryland's students are experiencing profound mental health needs. The most recent YRBS results show:

- 36% of Maryland high school students are persistently sad or hopeless.
- 18–24% have seriously considered suicide.
- 10% have attempted suicide.

The Consortium is one of Maryland's most effective and rapidly scaling behavioral-health initiatives, and the data is unequivocal:

- 136,945 students served
- 86% of schools participating
- 705 behavioral-health staff added to schools
- 6,000 school staff trained
- 60–80% improvements in student behavioral-health outcomes

For Sheppard Pratt, these cuts would:

- Reduce direct clinical staffing in dozens of school partnerships
- Increase waitlists for therapy and crisis stabilization
- Undermine coordinated care for high-acuity students
- Shift youth into emergency departments, acute inpatient settings, and crisis lines

We strongly recommend the restoration of the \$100M statutory funding level to avoid destabilizing a program producing measurable, statewide results.

2. Protect the State's Commitment to CCBHC Expansion and Modern Rate-Setting

Maryland is at a critical juncture in modernizing outpatient behavioral health rates and transitioning to a federal CCBHC Demonstration model.

As we highlighted in our briefing to the Senate Finance Committee and the Senate Budget and Taxation Health and Human Services Subcommittee earlier this session, CCBHCs have made incredible and tangible impacts on our behavioral health system:

- CCBHCs reduce ED visits by 60%,
- Reduce psychiatric hospitalizations by 50%,
- Reduce hospital stays by 40%,
- Reduce hospital costs by 47% (all based on Maryland data, not projections).

Maryland has already:

- Received \$1M in federal planning funds,
- Secured a no-cost extension through December 2026,
- Prepared to apply when CMS opens the Demonstration window.

A BRFA provision that makes participation discretionary until 2029 threatens to:

- Disrupt four Maryland CCBHCs whose federal grants expire in September 2026
- Increase workforce loss and turnover
- Reduce crisis capacity, integrated care, and community stabilization
- Waste federal planning resources already invested

As a major statewide provider of OMHC, CCBHC, crisis, and specialty programs, Sheppard Pratt cannot absorb a multi-year delay in rate modernization without compromising access.

We recommend the restoration of the FY26 statutory requirement that MDH apply for the CCBHC Demonstration and protect funding for the OMHC/CCBHC rate-modernization workgroup.

3. Amend Licensing Board Fund Diversions That Reduce Behavioral-Health Workforce Capacity (HO §14-207 & HO §17-206 – Page 16 of SB284)

SB284 authorizes one-time diversions of:

- \$2,000,000 from the Board of Physicians Fund, and
- \$500,000 from the Board of Professional Counselors and Therapists Fund

While we understand the State’s need to identify resources during a challenging budget year, these Boards are special-funded regulatory agencies, and the dollars collected from licensure fees are intended, by statute and design, to support:

- Licensing and renewal processing
- Background checks and ethics reviews
- Supervision approvals and scope-of-practice determinations
- Complaint investigations
- Enforcement actions
- Telehealth, compact, and reciprocity implementation

Diverting these funds, even for one year, will inevitably slow licensing and approval timelines, at the precise moment when Maryland is experiencing the greatest behavioral-health workforce shortage in decades.

Conclusion

Sheppard Pratt recognizes the immense difficulty of crafting a FY27 budget amid fiscal constraints and federal uncertainty. However, the provisions outlined above pose significant risks to community-based behavioral-health access, school mental-health capacity, and the State’s progress in modernizing its behavioral-health system.

We respectfully urge a Favorable With Amendments report to:

1. Restore full funding for the Consortium
2. Restore the CCBHC Demonstration application mandate
3. Restore funding to the Board of Physicians and the Board of Professional Counselors & Therapists

These amendments align Sheppard Pratt with our partners at MHAMD and CBH and ensure that fiscal responsibility does not come at the expense of essential services for Marylanders in crisis.

Thank you for your consideration.