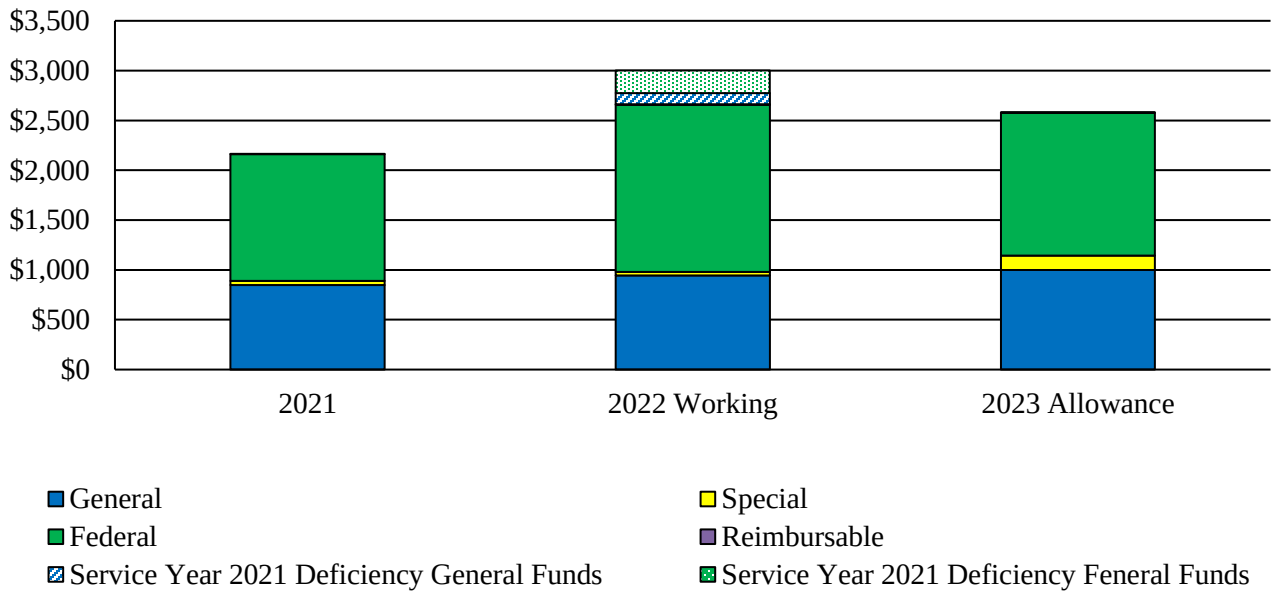
M00L
Behavioral Health Administration
Maryland Department of Health

Executive Summary

The Maryland Department of Health (MDH) Behavioral Health Administration (BHA) is responsible for the treatment and rehabilitation of the mentally ill, individuals with substance use disorders (SUD), problem gambling disorders, and those with co-occurring mental illness and substance use and/or problem gambling disorder. The BHA budget also reflects provider reimbursements for specialty behavioral health services to Medicaid beneficiaries and the uninsured through the Public Behavioral Health System (PBHS), which is managed through an Administrative Services Organization (ASO). The BHA budget no longer reflects the State-run psychiatric facilities, which have been moved under the MDH Administration budget.

Operating Budget Summary

Fiscal 2023 Budget Decreases $419.1 Million, or 14.0%, to $2.58 Billion
($ in Millions)



Note: Numbers may not sum due to rounding. The fiscal 2022 working appropriation includes deficiency appropriations. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

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- Of the nearly $420 million decrease in total funds between the fiscal 2023 allowance and the fiscal 2022 adjusted working appropriation, $338.8 million is attributable to a fiscal 2022 proposed deficiency appropriation that funds service year 2021 payments to providers.

- Other fiscal 2022 proposed deficiency appropriations drive additional decreases between the fiscal 2023 allowance and fiscal 2022 working appropriation, including $65 million in federal funds for temporary rate increases to home- and community-based services (HCBS) providers due to federal stimulus legislation.

- Setting aside the deficiency appropriations and HCBS and other rate increases, the BHA budget is relatively level funded.

Key Observations

- ***ASO Overpayments and Recoupment:*** The difficulties experienced in the ASO transition during the first 30 weeks of calendar 2020 continue to impact the budget and ability to project expenditures in fiscal 2022 and 2023 and have resulted in a proposed deficiency appropriation in fiscal 2022 to pay for fiscal 2021 services.

- ***Continued Trends Suggest Growing Behavioral Health Needs:*** National, State, and local data all point toward a growing need for behavioral health services, including rising overdose and suicide fatalities.

Operating Budget Recommended Actions

		Funds
1.	Add language restricting general funds from the Maryland Department of Health Office of the Secretary pending a report on the recoupment and forgiveness of overpayments.	
2.	Add language restricting the appropriation for M00L01.02 to be expended only in M00L01.02, M00L01.03, or M00Q01.10.	
3.	Delete mistakenly budgeted federal funds in fiscal 2023 carried over from the home- and community-based services fiscal 2022 deficiency.	$ 6,134,591
4.	Adopt committee narrative requesting reporting on statewide use of telebehavioral health services in the Managing for Results submission.	

5.	Adopt committee narrative requesting a report on the availability of Medication-Assisted Treatment.	
6.	Add language restricting the appropriation in M00L01.03 to be expended only in M00L01.02, M00L01.03, or M00Q01.10.	
7.	Add language restricting the appropriation for M00Q01.10 to be expended only in M00L01.02, M00L01.03, or M00Q01.10.	
8.	Delete federal funds from home- and community-based services deficiencies for fiscal 2022. This represents double-budgeted funds and funds that were mistakenly appropriated as federal funds.	67,545,145
9.	Add language restricting the deficiency appropriation in M00L01.02 for issues related to the Behavioral Health Administrative Services Organization forgiveness of overpayments or for provider reimbursements.	
10.	Add language restricting the deficiency appropriation in M00Q01.10 for issues related to the Behavioral Health Administrative Services Organization forgiveness of overpayments or provider reimbursements.	
	Total Reductions to Fiscal 2022 Deficiency Appropriation	**$67,545,145**
	Total Reductions to Allowance	**$6,134,591**

Operating Budget Analysis

Program Description

MDH BHA is responsible for the treatment and rehabilitation of the mentally ill, individuals with SUDs, problem gambling disorders, and those with co-occurring mental illness and substance use and/or problem gambling disorder.

In fiscal 2015, funding for Medicaid-eligible specialty mental health (MH) services (based on diagnosis) was moved into the Medical Care Programs Administration. In fiscal 2016, funding for SUD was carved out from managed care and budgeted as fee-for-service (FFS) in program M00Q01.10 alongside Medicaid-eligible specialty MH services. For the purposes of reviewing the fiscal 2023 allowance, the funding in M00Q01.10 is reflected in this analysis.

BHA's role includes:

- ***MH Services:*** Planning and developing a comprehensive system of services for the mentally ill; reviewing and approving local plans and budgets for MH programs; providing consultation to State agencies concerning MH services; establishing personnel standards; and developing, directing, and assisting in the formulation of educational and staff development programs for MH professionals. In performing these activities, the State works with local core service agencies (CSA) to coordinate and deliver MH services in the local jurisdictions statewide.

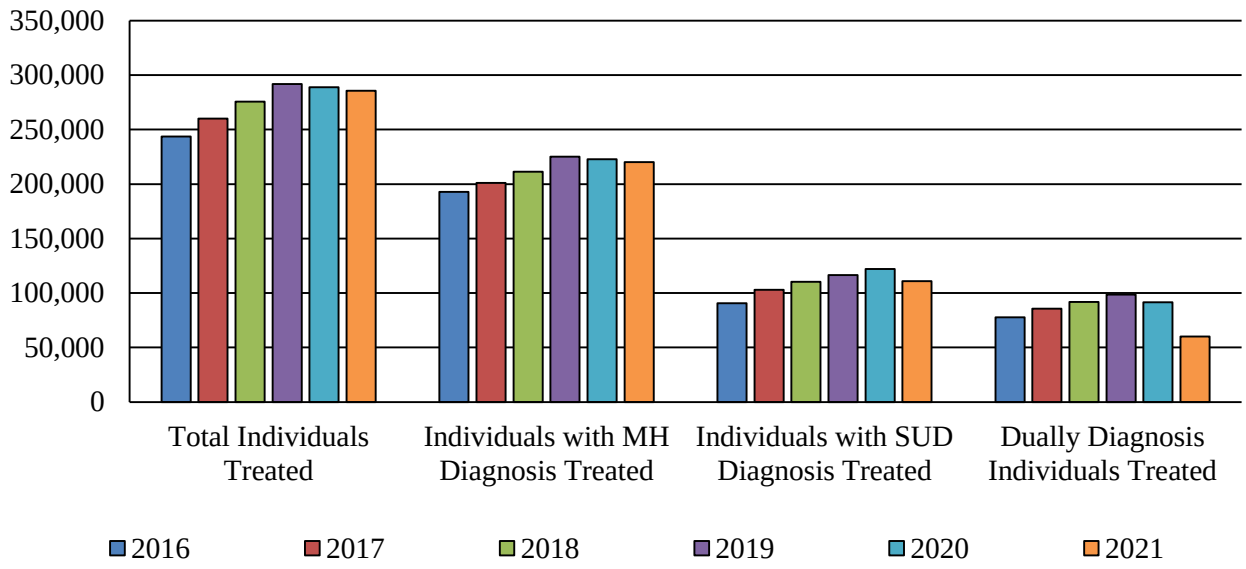
- ***SUD Services:*** Developing and operating unified programs for SUD research, training, prevention, and rehabilitation in cooperation with federal, State, local, and private agencies.

Performance Analysis: Managing for Results

1. Trends in Number of Individuals Treated in PBHS

As shown in **Exhibit 1**, the number of individuals who have been treated in PBHS has declined over the last two fiscal years as reported in the Managing for Results (MFR) submission that accompanies the fiscal 2023 allowance. In fiscal 2021, 285,754 individuals were served by PBHS compared to 291,740 in fiscal 2019. These declines in individuals treated occurred after consistently increasing by more than 5% annually from fiscal 2016 to 2019. This trend is true for both those with MH and SUD needs. However, the decline in those served is most significant among those who are dually diagnosed, suggesting that those with co-occurring substance use and MH needs are those who are facing the greatest loss in access to care.

Exhibit 1
Individuals Served by PBHS
Fiscal 2016-2021



MH: mental health
PBHS: Public Behavioral Health System
SUD: substance use disorder

Source: Department of Budget and Management; Governor's Budget Books; Maryland Department of Health

The decrease in individuals served since the fiscal 2019 high watermark encapsulates several events that would have impacted the need or access to behavioral health services:

- the global COVID-19 pandemic, which caused an immediate downturn in certain service utilization in the behavioral health system;

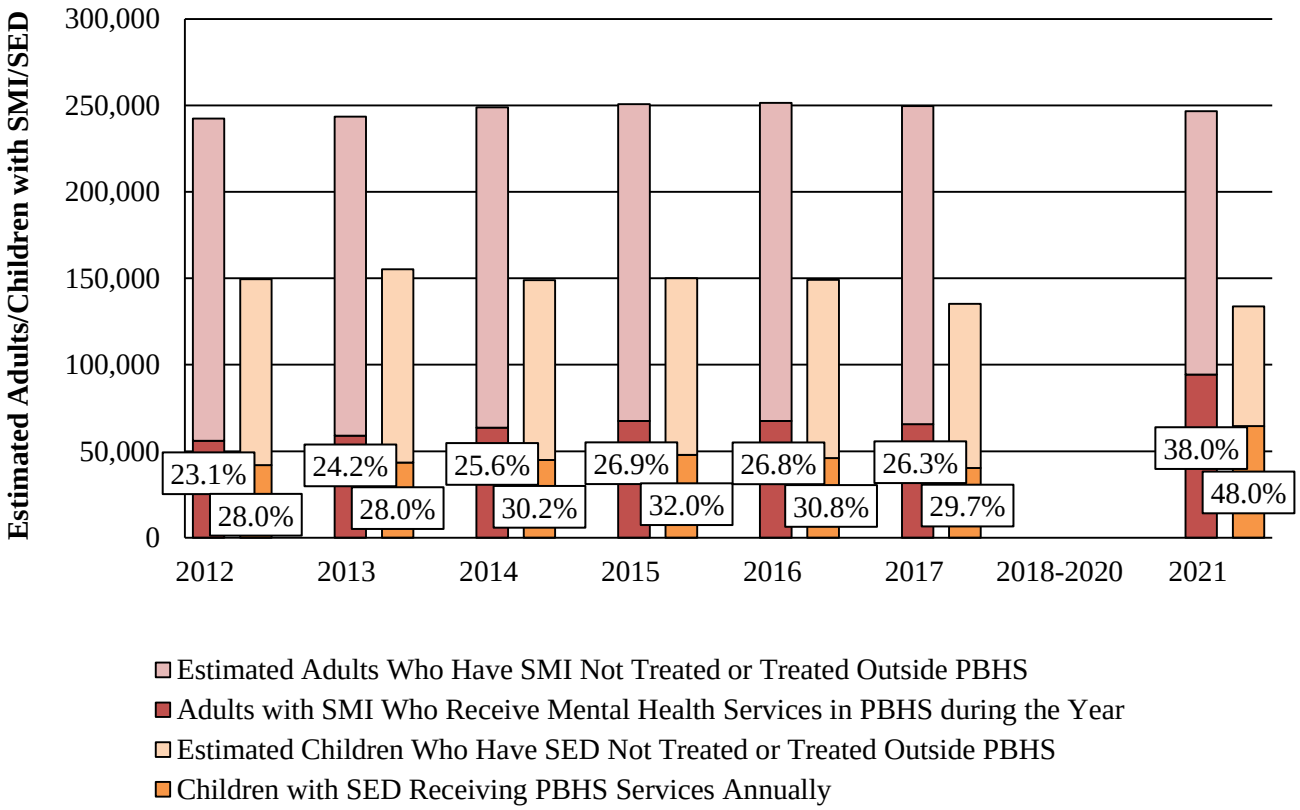
- the transition to the new ASO, which was unable to successfully process claims for the first 30 weeks of its operations, stretching into fiscal 2021; and

- the maintenance of effort requirements on states to receive an enhanced federal fund match under federal stimulus legislation, which means that the State has not been able to disenroll individuals from Medicaid since March 2020, resulting in increased enrollment.

Each of these factors and events will be discussed further throughout the analysis. However, taken in tandem, the factors suggests that the downturn in individuals served is more closely related to accessing care rather than a decrease in need.

The fiscal 2023 MFR submission once again includes an estimate of the total number of individuals within the State who have MH needs and how many of those are treated within the State's PBHS. This measure was not reported in the MFR submission for several years; as a result, actual data for fiscal 2018 through 2020 is unavailable. As shown in **Exhibit 2**, while the estimated number of adults with serious mental illness (SMI) has remained fairly consistent since the prior reporting period, the share of those who are receiving care though PBHS has increased. When this data was reported previously, roughly a quarter of adults in Maryland estimated to have an SMI were treated through PBHS and, encouragingly, during this most recent data reporting, that share has increased to nearly 40%. The increase in the share served could be driven in part by the overall growth in Medicaid enrollment since that period.

Exhibit 2
Individuals with Mental Health Needs
Fiscal 2012-2021



PBHS: Public Behavioral Health System
SED: serious emotional disturbance
SMI: serious mental illness

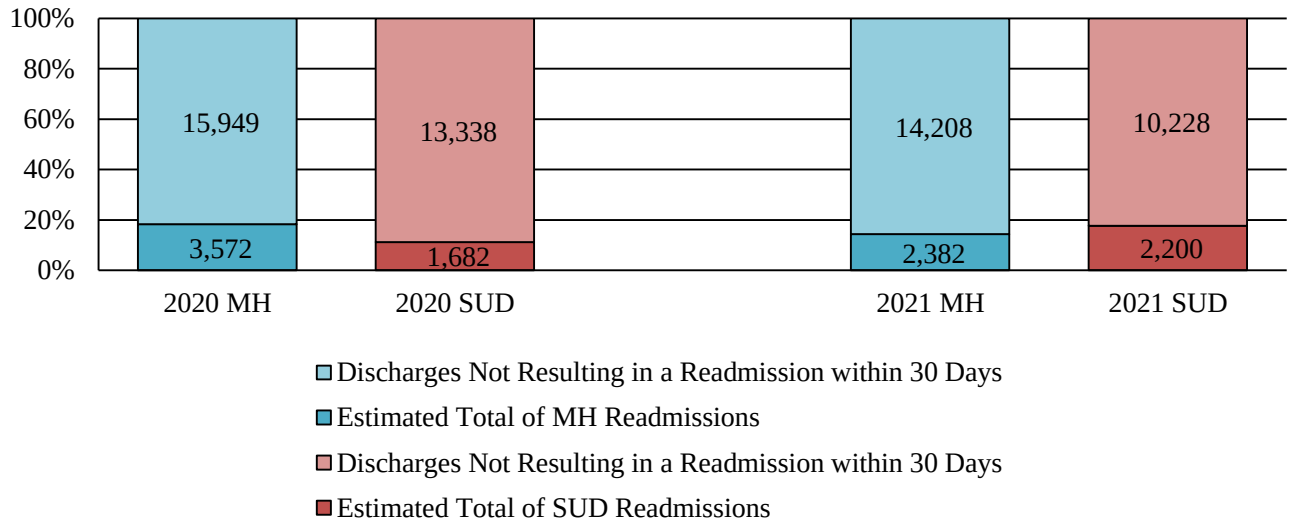
Source: Department of Budget and Management; Governor's Budget Books; Maryland Department of Health

Another encouraging trend with this submission relates to both a decrease in the number of children estimated to have a serious emotional disturbance in the State and a substantial increase in the share of those children receiving treatment in PBHS (to nearly half). Over a quarter of Maryland's population is enrolled in the Medicaid program currently. This data suggests that either PBHS provides a disproportionate amount of MH care in the State or that Medicaid enrollees have greater MH needs than the rest of the State's population.

2. Quality Measures and Trends in Service Delivery

MDH introduced new measures in the MFR submission for fiscal 2022 focusing on readmission rates for those leaving residential treatment in PBHS. Specifically, the department now reports the total number of individuals in PBHS who are discharged from an inpatient treatment facility following an admission for an MH-related condition and those discharged from SUD residential services and the percentage in each category who are readmitted within 30 days of discharge to the same or a different facility. From these readmission rate reports, the Department of Legislative Services (DLS) has calculated estimates for readmissions within each service category. MDH aims to have readmissions below 18% and 20% in these measures, respectively. **Exhibit 3** provides information on both years of available data for both SUD and MH residential care.

Exhibit 3
SUD and MH Readmissions
Fiscal 2020-2021



MH: mental health
SUD: substance use disorder

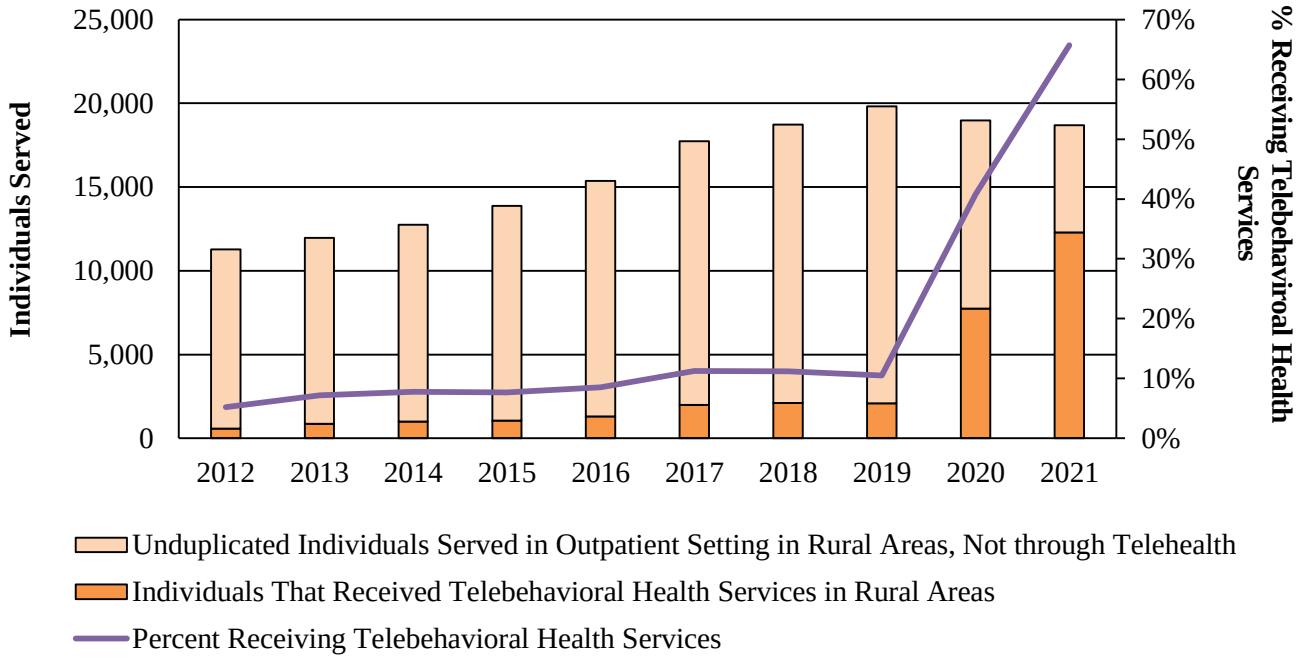
Note: Data labels represent the total number of discharges in each category.

Source: Department of Budget and Management; Maryland Department of Health; Department of Legislative Services

Overall, the data indicates that there were fewer residential treatment stays for both those with MH and SUD diagnosis in fiscal 2021 compared to fiscal 2020. This is of course, related to a trend discussed in prior analysis, where residential treatment services have particularly declined during the pandemic, due to the nature of their care setting. In fiscal 2021, the readmission rates for those with MH needs decreased compared to fiscal 2020, while those for SUD increased. For SUD residential treatment, the fiscal 2021 readmission rate (18%) is near the benchmark of 20% set by the department.

Conversely, during the pandemic, telebehavioral health services have greatly expanded. Since 2012, BHA has been tracking the prevalence of telebehavioral health services in rural areas. Specifically, BHA has looked at the number of individuals in select rural counties receiving MH care in outpatient settings and the number of those individuals in rural communities who are receiving that care through telehealth. As shown in **Exhibit 4**, while telebehavioral health grew slowly from 2012 to 2019, the use of these services exploded during the pandemic, with nearly two-thirds of those receiving outpatient MH care services in rural settings doing so through telehealth services. Even with the explosion of telehealth as an avenue for care deliveries in these rural counties, the total number of unique individuals served decreased in fiscals 2020 and 2021, consistent with the statewide trends highlighted above.

Exhibit 4
Telebehavioral Health in Rural Settings
Fiscal 2012-2021



Note: Rural counties as defined by the department for this data are Caroline, Garrett, Somerset, St. Mary's, Wicomico, and Worcester.

Source: Department of Budget and Management; Maryland Department of Health; Department of Legislative Services

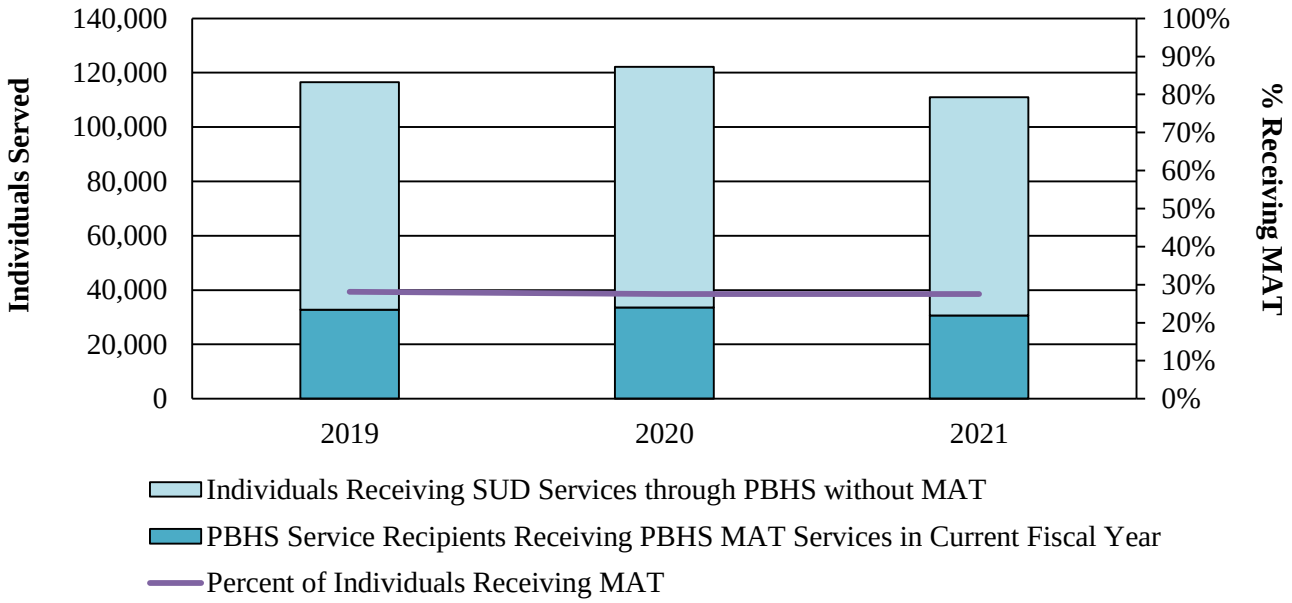
However, given the limitations of the current data reported in the MFR, DLS is unable to determine if this growth in telebehavioral health seen throughout the rural parts of the State occurring elsewhere in the State. **Given the known prevalence of telebehavioral health services in rural parts of Maryland and the presumed importance that these services offer in expanding access to MH treatment throughout the State, DLS recommends adopting committee narrative that requests BHA include data on the statewide prevalence of telebehavioral health services with future MFR submissions.**

Prevalence of Medication-Assisted Treatment in PBHS

Medication-Assisted Treatment (MAT) is the use of medications, in combination with counseling and behavioral therapies, to provide a "whole-patient" approach to the treatment of SUD. Medications used in MAT are approved by the Food and Drug Administration and include buprenorphine, methadone, and naltrexone. Research shows that a combination of medication and therapy can successfully treat these disorders, and for some people struggling with addiction, MAT can help sustain recovery. MAT is also used to prevent or reduce opioid overdose. MAT is primarily used for the treatment of addiction to opioids, such as heroin, and prescription pain relievers that contain opiates. The prescribed medication operates to normalize brain chemistry, block the euphoric effects of alcohol and opioids, relieve physiological cravings, and normalize body functions without the negative and euphoric effects of the substance used.

As shown in **Exhibit 5**, MDH reports on the number of individuals in PBHS who have received MAT, which is consistently below 30%. Given these low rates, DLS is concerned that an important tool in treating SUD is being underutilized or resourced through PBHS. **DLS recommends adopting committee narrative requesting a report from BHA on the availability and barriers to access for MAT. This report should also include data on the distribution of MAT providers throughout the State and include outcome-based performance measures for MAT.**

Exhibit 5
Prevalence of MAT
Fiscal 2019-2021



MAT: Medication-Assisted Treatment
PBHS: Public Behavioral Health System
SUD: substance use disorder

Source: Department of Budget and Management; Maryland Department of Health; Department of Legislative Services

Fiscal 2021 Reversion of Prior Year Funds

During the fiscal 2021 closeout, MDH BHA reverted and canceled approximately $142 million in total funds ($82.7 million in general funds and $59.7 million in federal funds) from fiscal 2020. These reversions and cancellations were from the provider reimbursement programs within BHA; of the general fund reversions, $39.4 million were in a program that contains non-Medicaid-covered expenses such as residential room and board for substance use and uninsured provider expenses, and the remaining $43.3 million were from Medicaid provider reimbursements.

At year-end closeout, MDH traditionally accrues general funds to account for claims that occurred during the fiscal year but have yet to be submitted or paid because claims can be submitted up to a year after the service has been delivered. In fiscal 2020, the department accrued $117 million in general funds. This level of accrual was significantly more than it traditionally accrued. For example, in fiscal 2019, 2018, and 2017, the department accrued $16 million, $19 million, and $17 million, respectively. The higher accrual resulted from the inability of ASO to process claims for the second half

of fiscal 2020 and resulting uncertainty regarding need. As a result, MDH did not have a sense of the number or amount of claims outstanding that it would have expected to pay with fiscal 2020 dollars over the course of fiscal 2021. The accrued funds that were not required after claims were submitted were then reverted as part of the fiscal 2021 closeout.

Fiscal 2022

Proposed Deficiency

As shown in **Exhibit 6**, the fiscal 2023 budget includes proposed deficiency appropriations totaling $441.3 million for BHA. The largest of these (accounting for over 75% of the total) is over $111 million in general funds associated with the prior service year for provider reimbursements, which is paired with the anticipated federal funds match for these services ($227 million) for a total of $339 million.

Exhibit 6
Fiscal 2022 Deficiencies
($ in Millions)

	General Funds	Federal Funds	Total Funds
Service Year 2021 Expenses	$111.7	$227.1	$338.8
Home- and Community-based Services Rate Increases		67.5	67.5
Enhanced Federal Medical Assistance Percentage		21.5	21.5
Behavioral Health Administrative Services Organization	13.0		13.0
Easterseals Military Family Clinic	0.5		0.5
Total	**$125.2**	**$316.1**	**$441.3**

Source: Governor's Fiscal 2023 Budget Books

The second largest cause of the proposed deficiency appropriations relates to a one-time rate increase for HCBS, $67.5 million in federal funds. This funding is from the American Rescue Plan Act (ARPA) of 2021, which provides an enhanced federal match for HCBS from April 1, 2021, through March 31, 2022. This funding is continued into the fiscal 2023 budget at the fiscal 2022 level. However, while these funds are provided in a proposed deficiency appropriation, this funding was also added to the fiscal 2022 working appropriation via a budget amendment prior to the submission of the Governor's fiscal 2023 allowance (the use of these funds as well as the budget amendment is discussed below) and is, therefore, double-budgeted. MDH has also informed DLS that the federal funds for HCBS included in the proposed deficiency appropriation in the other provider reimbursement budget codes of M00L01.02 and M00L01.03 are mistakenly budgeted as federal funds and will ultimately need to be replaced with general funds. These funds continue mistakenly as federal funds in fiscal 2023.

DLS recommends deleting double-budgeted and mistakenly budgeted federal funds provided through the fiscal 2022 deficiency and the federal funds mistakenly carrying through in fiscal 2023 in M00L01.02 and M00L01.3. However, DLS recommends maintaining the fiscal 2023 federal funds in M00Q01.10 to allow for spending authority of the rate increases into fiscal 2023.

Additionally, BHA receives two proposed deficiency appropriations related to ASO. In particular, these funds represent forgiveness of certain provider's estimated payments balance. The ASO issue is discussed in greater detail in Issue 1 of this analysis.

The $500,000 deficiency for Easterseals Military Family Clinic continues with funding of the same level in fiscal 2023.

Federal Stimulus Funds

A fiscal 2022 budget amendment provided $64.2 million in federal funds related to the enhanced federal fund match (Federal Medical Assistance Percentage (FMAP)) initially authorized under the federal Families First Coronavirus Response Act (FFCRA). Another $132.5 million was added that was associated with the enhanced FMAP from the ARPA for HCBS. These funds will be distributed through a 5.4% rate increase to providers of psychiatric rehabilitation programs (PRP), case management, Applied Behavioral Health Analysis, and mobile treatment. Additional rate increases under this spending plan include a 4.1% rate increase provided for MH and SUD community-based outpatient programs in fiscal 2022 and 2023. A spending plan update submitted by MDH on February 1, 2022, to the Centers for Medicare and Medicaid Services related to HCBS included a request for $14.4 million in federal funds and another $9.6 million in general funds, totaling $24 million in new funding for Peer Recovery Support Services. The February 1, 2022 spending plan accounts for $141.1 million in total funds, with $88.5 million in federal funds, attributed to this rate increase. As a result, the federal funds added through budget amendment are more than sufficient to cover the additional requests included in this spending plan.

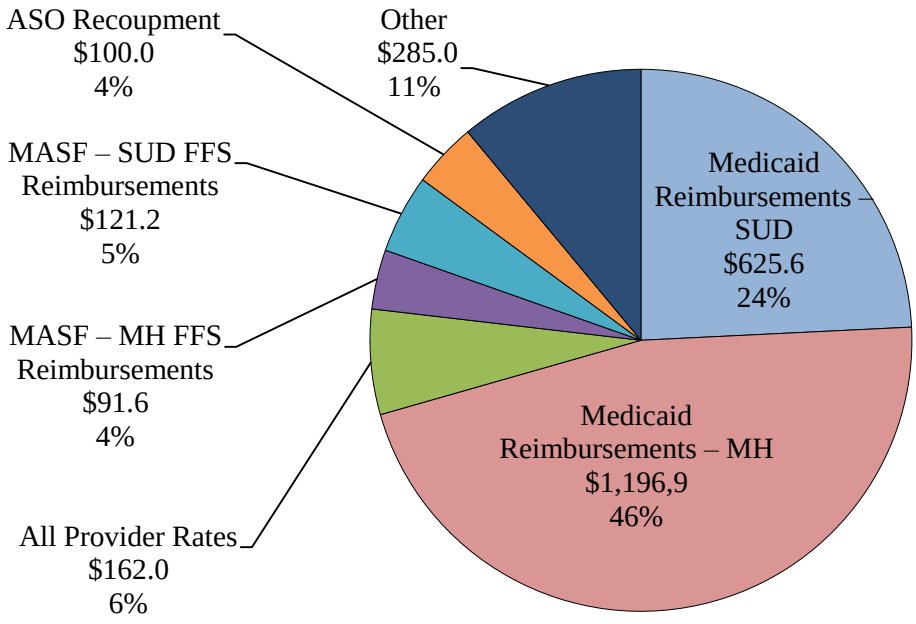
The total HCBS spending plan is $188.8 million with $70.8 million in State funds and the remaining $118 million as federal funds. These funds are eligible to be spent through March 2024. However, at this time, DLS has been unable to identify the State's share of these funds that will assist with the rate increases or other spending outlined under the plan. Specifically, the authorizing federal legislation, the ARPA requires that these funds be used to "supplement not supplant" existing HCBS funding. **Given DLS's concerns with general fund adequacy discussed later in this analysis, the department should comment on the availability of new State funds to support the enhancement of HCBS and the associated rate increases.**

Federal legislation also provided temporary increases to preexisting block grant programs for Community Mental Health and Substance Abuse Prevention and Treatment (SAPT) Services. These funds and programs are discussed in the Budget section of the analysis.

Fiscal 2023 Overview of Agency Spending

The fiscal 2023 allowance for BHA totals $2.58 billion. As shown in **Exhibit 7**, the Medicaid program and other FFS expenditures represent the overwhelming majority of expenditures for BHA. Medicaid expenditures have a federal match of at least 50% depending on the type of enrollee and make up 70% of the total fiscal 2023 allowance. Another 9% is FFS payments for either the uninsured or the Medicaid-eligible population who are receiving non-Medicaid reimbursable services. The budget also currently reflects $100 million in ASO recoupment of overpayments. This is discussed in further in the Proposed Budget section and Issue 1 of this analysis; however, MDH has advised that this funding can be made available for the covering of provider reimbursements and is considered under the FFS spending below.

Exhibit 7
Overview of Agency Spending
Fiscal 2023 Allowance
($ in Millions)



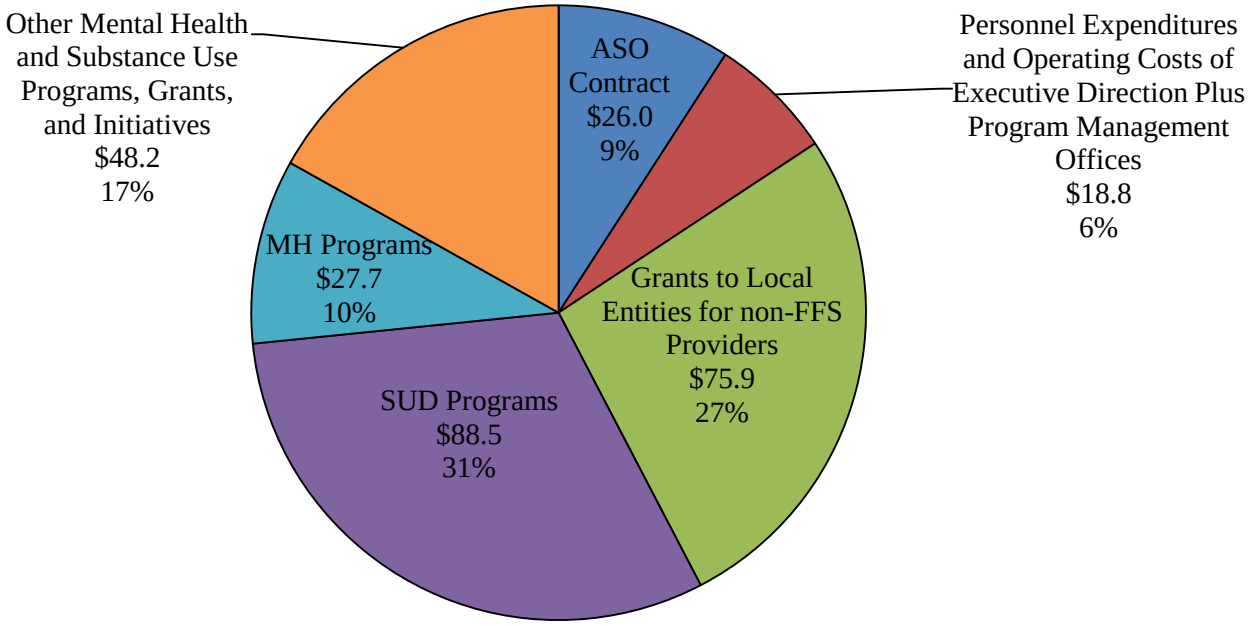
ASO: Administrative Services Organization
FFS: fee-for-service
MASF: Medical Assisted State Funded
MH: mental health
SUD: substance use disorder

Note: The fiscal 2023 allowance does not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

Source: Governor's Fiscal 2023 Budget Books

Of the remaining 11% of BHA's fiscal 2023 allowance ($285 million) unrelated to the direct service provision through the FFS program, as detailed in **Exhibit 8**, the largest share is related to community services for other programs and initiatives (a combined $240 million). The community service programs and initiatives for those with MH and SUD needs include the Problem Gambling Fund, Medication-Assisted Treatment Expansion, and rental assistance to homeless individuals with SUD/MH diagnoses. Additionally, BHA provides payments to local jurisdictions through CSAs to provide services and treatment outside of the FFS structure.

Exhibit 8
Non-FFS Expenditures
Fiscal 2023
($ in Millions)



ASO: Administrative Services Organization
FFS: fee-for-service
MH: mental health
SUD: substance use disorder

Note: The fiscal 2023 allowance does not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

Source: Governor's Fiscal 2023 Budget Books

Proposed Budget Change

As shown in **Exhibit 9**, the decrease of $419.1 million between the fiscal 2023 allowance and the fiscal 2022 working appropriation, after accounting for proposed deficiency appropriations, is driven by the service year 2021 costs included in a fiscal 2022 deficiency appropriation. One-time increases to federal funding through the ARPA and the FFCRA also drive decreases throughout this budget. The decreases in the fiscal 2023 allowance are partially offset by mandated provider rate increases, which add $47.4 million in funding compared to fiscal 2022.

Exhibit 9
Proposed Budget
Maryland Department of Health – Behavioral Health Administration
($ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2021 Actual	$848,712	$40,187	$1,271,647	$5,622	$2,166,168
Fiscal 2022 Working Appropriation	1,055,918	35,925	1,903,476	6,234	3,001,553
Fiscal 2023 Allowance	999,200	143,325	1,433,848	6,050	2,582,424
Fiscal 2022-2023 Amount Change	-$56,718	$107,401	-$469,628	-$184	-$419,130
Fiscal 2022-2023 Percent Change	-5.4%	299.0%	-24.7%	-3.0%	-14.0%

Where It Goes:	Change
Personnel Expenses	
Adjustments in employee compensation driven by impacts of Chapters 572 and 576 of 2020, partially offset by two positions transferred outside of BHA	$426
Turnover adjustments from 10.89% to 8.01%	376
Other fringe benefit adjustments	44
Fee-for-service Changes	
Utilization increase, including funding available through the recoupment of estimated payments	49,259
Provider rate increased mandated under Chapter 11 of 2019	47,444
Mobile treatment services	4,800
One-time deficiency appropriation for forgiveness of overpayments to providers related to the Administrative Services Organization	-13,008
Federal funds from the APRA provided through budget amendment for HCBS rate increase	-132,537
One-time deficiency appropriation for services provided in fiscal year 2021 ($111.7 million in general funds, remaining $227.1 million in federal funds)	-338,794

Where It Goes:	**Change**
Other Changes	
New Sheila E. Hixson Behavioral Health Services Matching Grant Program for Service Members and Veterans mandated by Ch. 785 of 2021	2,500
SUD programs, driven by continued federal fund enhancements to existing block grants	2,415
MH programs, driven by continued federal fund enhancements to existing block grants	1,843
Grant to fund rural and school-based clinicians to diagnose and treat mental health disorders	500
Problem gambling fund	-261
End of State Opioid Response grants	-43,962
Other	-177
Total	**-$419,130**

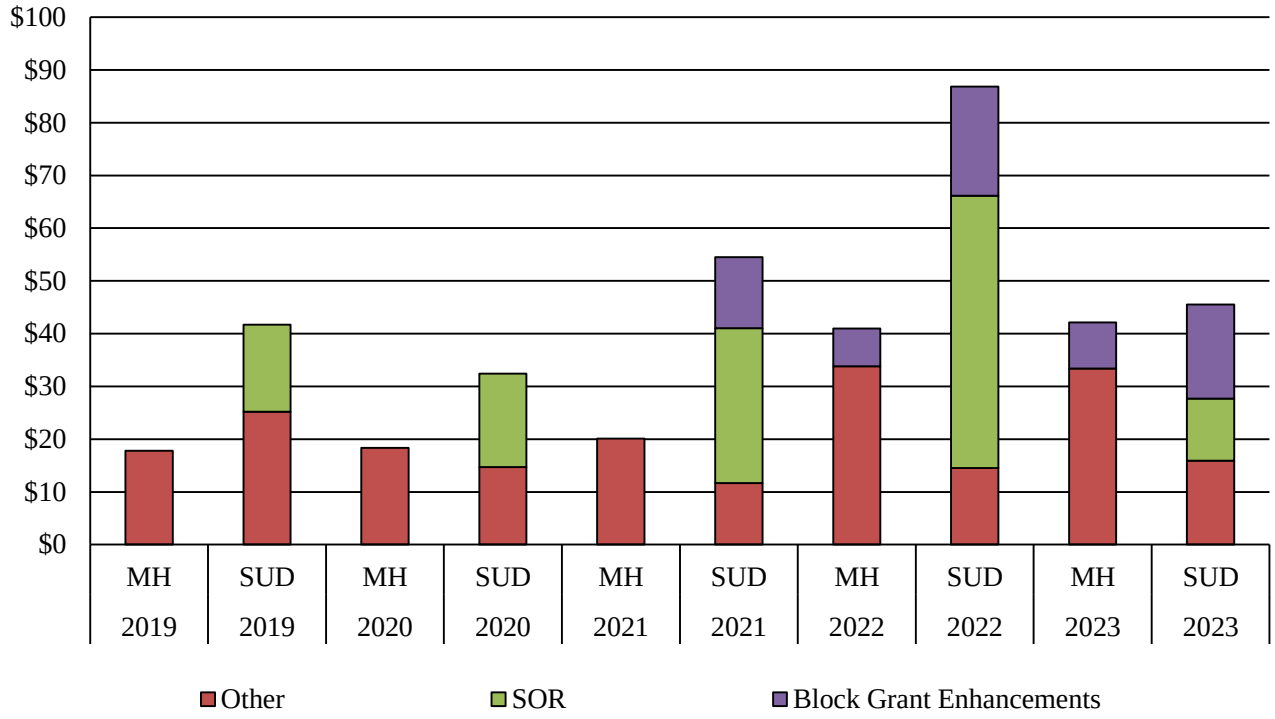
ARPA: American Rescue Plan Act
BHA: Behavioral Health Administration
HCBS: home- and community-based services
MH: mental health
SUD: substance use disorder

Note: Numbers may not sum to total due to rounding. The fiscal 2022 working appropriation includes deficiency appropriations. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

Changes in Federal Grant Funding Availability

Aside from the FFS provider reimbursements and funding related to the ASO issues, significant changes in this budget can be attributed to federal funds supporting MH and SUD programs. The largest such funding in recent years was the State Opioid Response (SOR) grants, from which Maryland will have received over $167 million to combat the opioid crisis through fiscal 2023. Aspects of this funding targeted toward prevention services are reflected in the budget of the MDH Prevention and Health Promotion Administration. The fiscal 2023 allowance of BHA reflects a decrease in SOR funding, with 2023 being the last year these funds are currently anticipated. This decline in SOR funding is shown in **Exhibit 10**.

Exhibit 10
Change in Federal Fund Availability
Fiscal 2019-2023
($ in Millions)



MH: mental health
SOR: State Opioid Response
SUD: substance use disorder

Note: Above expenditures excludes the use of federal grant funds for fee-for-service expenditures, including use of Substance Abuse Prevention and Treatment dollars for residential treatment.

Source: Governor's Fiscal 2023 Budget Books

The various federal relief packages in response to the COVID-19 pandemic have included enhancements to preexisting block grants: the SAPT block grant; and the Community Mental Health Block Grant. As shown, these actions have collectively added nearly $70 million in block grant funding available to BHA. However, ultimately, DLS anticipates further block grant funding to be made available; the total funds for SAPT are anticipated to be $60.5 million, and only $34 million of this total is reflected in the budget at present; $44.8 million is collectively anticipated from the Community Mental Health Block Grant, with over $10 million not yet reflected in the budget. **MDH should comment on the availability of additional block grant funding not yet reflected in the fiscal 2023 allowance**.

Use of the block grant enhancements is consistent with the requirements of the traditional block grant funds including behavioral health crisis services, withdrawal management, and targeted prevention and awareness programs. In addition, a combined $2.4 million in these block grant funds (roughly $240,000 and $960,000 in fiscal 2022 and 2023, respectively, for each block grant) are explicitly for COVID-19 testing and other mitigation resources for individuals with behavioral health needs.

Medicaid Behavioral Health Provider Reimbursements and General Fund Adequacy

The fiscal 2023 allowance provides rate increases, expanded mobile treatment services, and almost $50 million in additional funding in fiscal 2023 to offset increases in utilization. The allowance supports the provider reimbursements budget with $100 million of special funds representing anticipated recoveries of prior overpayments to providers. If these funds are not realized, a general fund deficiency may be required to backfill the shortfall.

While this has traditionally been a difficult budget to forecast, this has been even more true of late given the data limitations of the new ASO. For instance, data reports provided by MDH to DLS and the Department of Budget and Management for the forecasting of BHA spending reflect claims when they were processed through the system, not the date of service. Given the impact on the processing of claims with the ASO transition, it has become more difficult to draw trends from the utilization and expenditures for any given month. Any downturn in utilization reflected through these reports could be either true utilization decreases due to a shift in service delivery resulting from the pandemic or the timing of completed and processed claims.

Additional savings may be included in this budget that are not yet fully accounted for, for instance:

- the extension of the Enhanced Federal Medical Assistance Percentage (EFMAP) through the final quarter of fiscal 2022, which reduces general fund need for services otherwise provided during that quarter (estimated to generate $20 to $25 million in savings); and

- the most recent Medicaid waiver, which allows for provider reimbursements for individuals in Institutes for Mental Diseases (IMD) inpatient treatment to be eligible for Medicaid. Previously, these services were entirely general funded and are budgeted at $30 million in both fiscal 2022 and 2023, though prior year actual expenditures average $35 million. A federal fund match for these services would be at least 50%, which generates general fund savings.

Alternatively, certain factors could increase the need to the General Fund to cover provider reimbursements, including:

- more individuals enrolled in the program for longer under the terms of the public health emergency;

- any increases in service utilization following pent-up demand for behavioral health services in the wake of the COVID-19 pandemic;

- requirement to pay any or all of the State's $70.8 million share of the HCBS rate increases authorized under the ARPA in fiscal 2022 or 2023;

- the actual recoupments falling short of the budget estimate, to the extent funds are not recovered at the level needed to provide adequacy, additional general funds would be required.

Exhibit 11 layers all of these possible puts and takes on the general fund need for this program in fiscal 2022 and 2023.

Exhibit 11
Estimated State Funding Needs
Fiscal 2022-2023
($ in Millions)

	High General Fund Need	Low General Fund Need
Fiscal 2022		
Estimated Base Spend	$661,475,853	$621,921,153
Utilization Increase (3.3% High / 1.65% Low)	21,828,703	10,261,699
State Share of HCBS Increase	35,384,295	12,771,137
EFMAP Savings	-24,397,007	-18,327,049
IMD Waiver Savings	-8,750,000	-9,900,000
Net Fiscal 2022 Need Est.	***685,541,843***	***616,726,940***
General Funds Available	595,483,891	595,483,891
Special Funds Available (Health Care Coverage Fund)	11,114,687	11,114,687
Surplus/Deficiency	-78,943,265	-10,128,362
Fiscal 2023		
Estimated Base Spend	651,891,313	642,133,591
Utilization Increase (9.2% High/4.65% Low)	59,974,001	29,538,145
State Share of HCBS Increase	35,384,295	12,771,137
IMD Waiver Savings	-17,500,000	-19,800,000
Net Fiscal 2023 Need Est.	***729,749,609***	***664,642,873***

	High General Fund Need	Low General Fund Need
General Funds Available	646,154,249	646,154,249
Special Funds Available (Health Care Coverage Fund)	11,114,687	11,114,687
Special Funds Available (Recoupment)	10,000,000	100,000,000
Surplus/Deficiency	-62,480,673	92,626,063

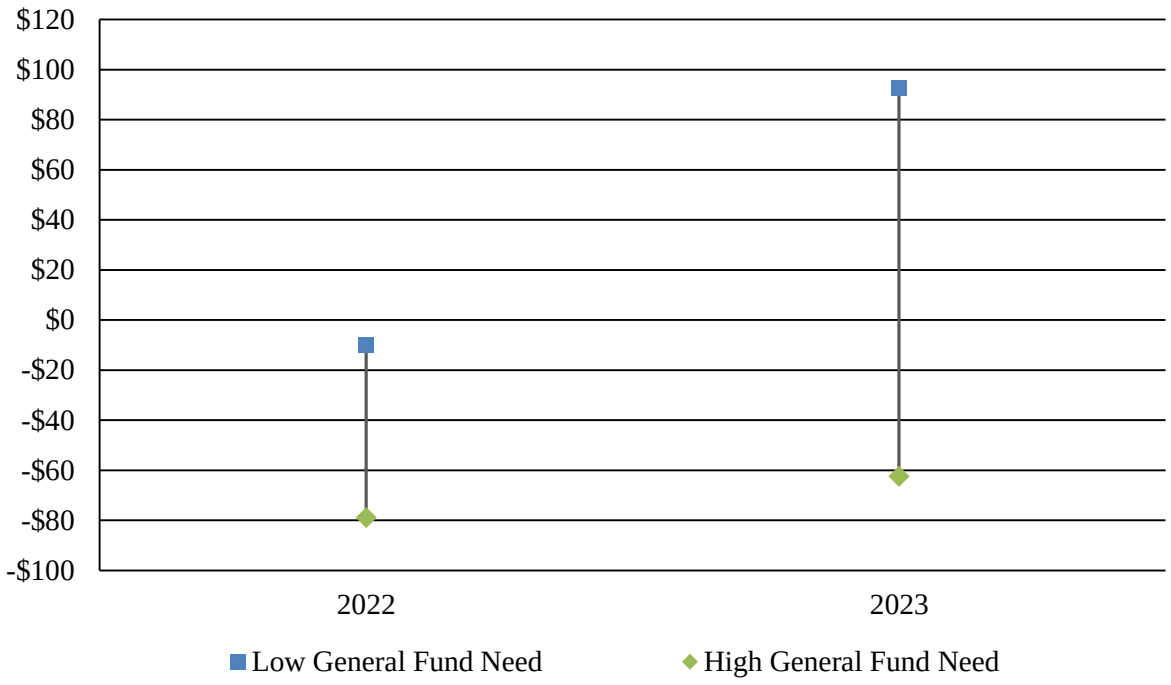
EFMAP: Enhanced Federal Medical Assistance Percentage
IMD: Institutes for Mental Diseases

Note: Utilization increases calculated over base spend amounts for fiscals 2022 and 2023. A 6% increase in utilization from fiscal 2022 to 2023 reflects the average prepandemic increase in individuals served in the PBHS.

Source: Department of Legislative Services

The uncertainty presents a range of outcomes for general fund adequacy within this budget. For instance, if there is lower utilization increase in fiscal 2022, and the savings from the IMD waiver are fully realized, there will possibly be enough general funds to cover expenditures, or a rather modest shortfall. However, if savings from the IMD wavier are offset by increases in utilization or, ultimately, increases elsewhere throughout the program, funding could be insufficient by upward of $60 million. Fiscal 2023 has an even wider range of outcomes, with recoupment of overpayments playing a key role in total fund adequacy. **Exhibit 12** shows the range of net general fund surplus/deficit outcomes for fiscal 2022 and 2023. Under both the low and high need scenarios, EFMAP ends June 30, 2022. **Given the wide range of general fund adequacy, including potential surpluses, DLS recommends adding budget bill language to restrict the use of provider reimbursements in the behavioral health budget to that purpose, including funds provided via deficiency appropriation.**

Exhibit 12
Possible General Fund Adequacy
Fiscal 2022-2023
($ in Millions)



Source: Department of Legislative Services

Personnel Data

	FY 21 Actual	FY 22 Working	FY 23 Allowance	FY 22-23 Change
Regular Positions	134.80	134.80	132.80	-2.00
Contractual FTEs	40.06	66.05	58.60	-7.45
Total Personnel	**174.86**	**200.85**	**191.40**	**-9.45**

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	10.64	8.01%
Positions and Percentage Vacant as of 12/31/21	16.00	11.87%
Vacancies Above Turnover	5.44	3.86

- Since the removal of BHA hospitals from this assignment, much of the personnel represented in the BHA budget reflects program and administrative staff. The vacancy rate for this collection of employees is below that of the department as a whole but remains above the budgeted turnover rate in fiscal 2023. Of the 16 positions currently vacant, 10 of them are recent vacancies.

Issues

1. Recoupment of Overpayments and Reconciliation from ASO Transition

On July 24, 2019, the Board of Public Works approved a contract for an ASO to process and pay provider claims beginning January 1, 2020, through calendar 2024, with a two-year renewal option to extend the contract through calendar 2026. United Behavioral Health Services (Optum) won the contract over the incumbent ASO, Beacon Health Options (Beacon). Optum's bid was not only scored the best price, at $72 million cheaper than Beacon's bid (estimated at $10 million less per year), but Optum was also the highest rated technical bid of the two bids received by MDH. The contract also included a four-month implementation period, valued at $8.8 million. The four-month transition period under the new contract proved to be too short, as Optum was unable to meet the January 1 go-live date.

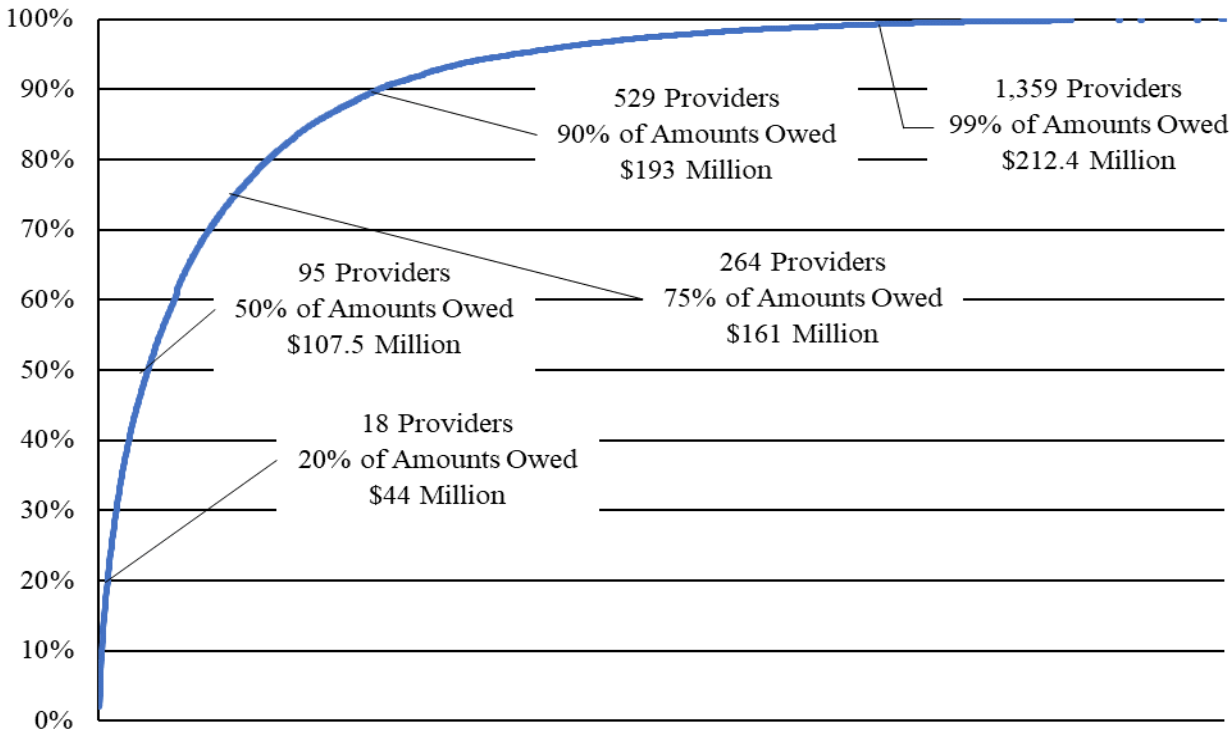
Shortly after the new ASO contract began, providers started to report substantial difficulties. Many providers were unable to register with Optum. Those that were able to register had difficulty submitting claims or had claims wrongfully rejected. Further still, the providers who did receive reimbursements noted inconsistencies. For example, claims paid were for the incorrect amount or without an explanation of benefits. The lack of and inconsistency of payments created significant concerns for providers who need to make payroll and pay rent in order to keep providing services in Maryland.

To address the concern surrounding payments, a January 23, 2020 notice was issued to providers from then Secretary Robert R. Neall that MDH would be processing estimated payments to providers based on average weekly payments in calendar 2019. These estimated payments continued through August 3, 2020. During the nearly 30 weeks that it took Optum to accurately and timely process claims, the department reported that it made $1.04 billion in estimated payments to providers. Further complicating the situation is that the timing of these estimated payments coincided with the onset of the COVID-19 pandemic and its impact on service utilization. DLS estimates that nearly 80% of the total estimated payments were distributed during the pandemic.

While, at the time, the estimated payments did provide some stability in revenues for providers, the estimated payments ultimately need to be matched with actual services provided to be able to claim the appropriate federal fund match. Throughout the estimated payments period, providers were still submitting claims for services provided. Ultimately, the department has attempted to reconcile the differences between overpayments, which, in part, were due to the impact of the pandemic on utilization, and claims submitted to reach a total outstanding balance. During the 2021 legislative session, the overpayments were estimated to be $300 million. According to a report of outstanding balances updated on February 4, 2022, received by DLS, the outstanding balance totals $214.5 million across the provider community, which is nearly $10 million lower than the balance noted by MDH during a briefing to the House Health and Government Operations Committee and the House Appropriations Health and Social Services Subcommittee on February 2, 2022, based on totals from November 30, 2021.

Exhibit 13 presents the distribution of amounts owed by individual providers. These disputed amounts continue to pose challenges for the over 2,600 behavioral health providers in the State. However, the impacts are not evenly distributed. For example, nearly 500 providers have no outstanding overpayments, the majority of these providers (358) were able to submit sufficient claims to meet estimated payments, with the other 138 having never received payments from the State during this period. Another 740 account for less than 1% of the total balance outstanding, collectively $2.2 million in estimated overpayments for an average of less than $3,000 per providers.

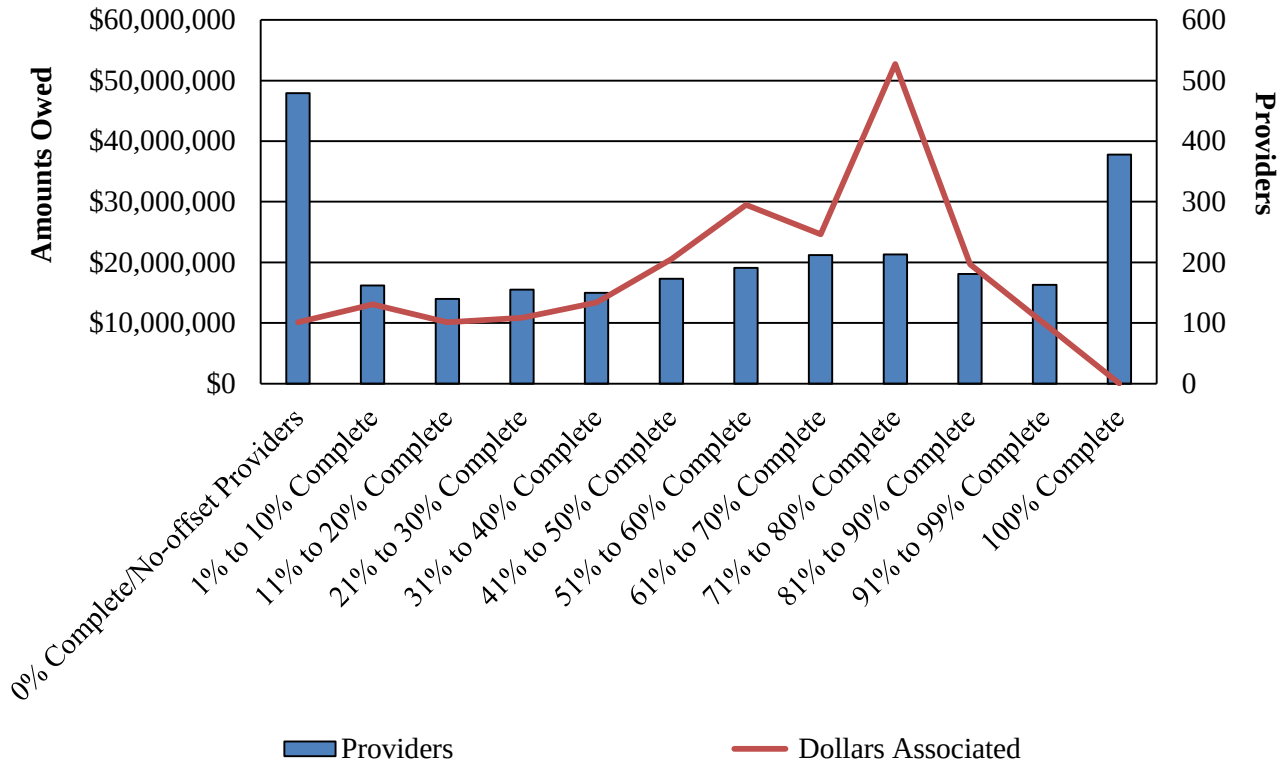
Exhibit 13
Distribution of Amounts Owed to MDH



Source: Maryland Department of Health; Department of Legislative Services

To examine this distribution further, DLS used the share of offsetting claims providers were able to submit against the estimated payments as the primary unit of measurement, referred to throughout this section as "percent completed." A provider with 100% completed was able to submit enough claims for services that occurred during the estimated payments period to entirely offset the estimated payments received, while a provider with 0% completed does not yet have a single approved claim for services during the estimated payment period (these have also been referred to as "no-offset" providers by MDH). **Exhibit 14** groups the providers by percent complete and then compares the providers associated with that percent of payments completed with the cumulative numbers of providers or dollars attributed to those providers.

Exhibit 14
Distribution of Dollars Owed and by Percent Completed



Source: Maryland Department of Health; Department of Legislative Services

Although the single largest group of providers by percent complete is those that have 0% of their estimated payment balance completed, it actually represents a relatively low dollar amount owed collectively (18% of the providers, only 5% of the dollars outstanding). Those who have their entire balance paid is a group of 358 providers with an additional 20 providers who still owe the State amounts less than 0.5% of estimated payments total, approximately 15% of providers.

Interestingly, those with more claims submitted against their total balance (a greater percent complete) actually owe the State a greater share of dollars. For instance, the group of providers with the highest amount owed is those with completion percentages from 71% to 80%. These are likely providers who were able to continue operations during the estimated payments period however saw downturns in utilization, which created the estimated payments difference. Further, this subset of providers contains 5 of the 6 providers who owe the largest amounts to the State referenced in Exhibit 13 and accounts for $18 million of the $52 million within this subset. When using total estimated payments provided as a proxy for provider size, 5 of the 10 largest providers in PBHS are represented in this group as well.

Forgiveness of Overpayments

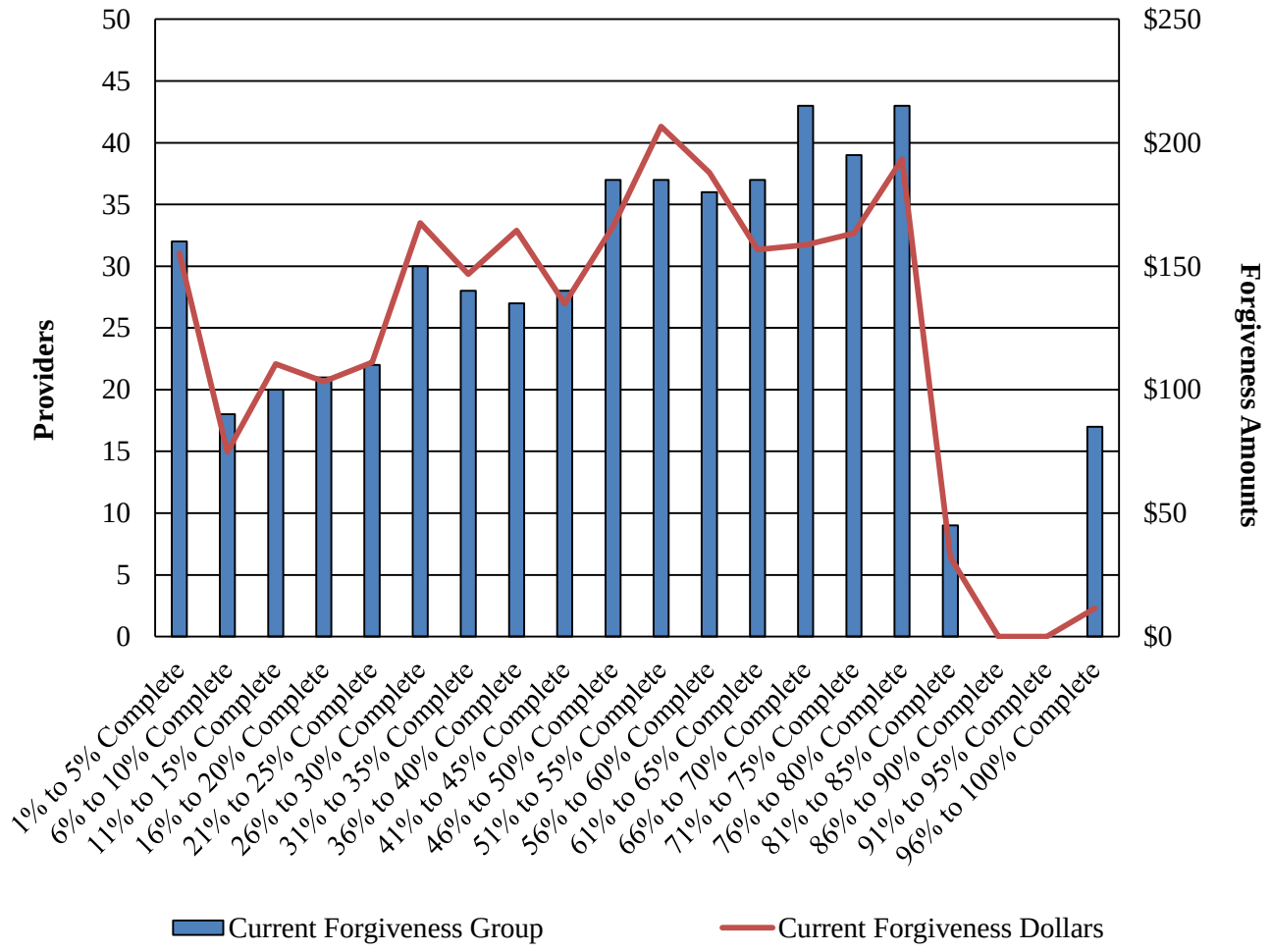
As previously mentioned, the fiscal 2023 budget includes proposed deficiency appropriations totaling $13 million in general funds for "difficulties with the ASO." MDH at various points has outlined different options for the forgiveness of providers. In the most recent plan included in a response to a request in the 2021 *Joint Chairmen's Report* (JCR) submitted on January 31, 2022, MDH proposed offering forgiveness for amounts owed by providers who have outstanding or fully paid balances of $10,000 or less. Excluded from this forgiveness plan are hospitals, laboratories, out-of-state providers, somatic non-behavioral health providers, and no-offset providers. Under the most recent data reporting used throughout this analysis, 907 providers owe the department less than $10,000, which collectively amounts to over $3.5 million. However, the department has stated a desire to exclude those no-offset providers (or 0% complete) from the forgiveness. This reduces the need for forgiveness by 205providers and payments by $625,000. Other exceptions for provider forgiveness may further decrease the amount needed to issue forgiveness to these providers. The department has also advised that if a provider with under $10,000 owed has already paid the department their amounts owed, MDH will return those funds to the provider, creating a slightly greater potential general fund need. However, at present the department estimates this amount to be approximately $600,000.

In the data provided, DLS identified $2.9 million of the $13 million in general funds provided through the deficiency appropriation would be required for provider forgiveness under the plan as outlined by MDH. Therefore, DLS estimates $10 million available in this budget for further forgiveness. The department reports that this remaining balance from the deficiency was intended to address any outstanding balances they are unable to collect from the no-offset providers. However, this group has reportedly already had collections pursued against them, and DLS is uncertain of the need for the remaining funds for this purpose. **The department should comment on the planned uses of this funding, given that no-offset providers have had collections already pursued against them.**

For instance, DLS estimates that an additional $5 million in general funds used for the purposes of provider forgiveness would eliminate the balances of those owing less than $25,000 (after removing from consideration all no-offset providers), which would be an additional 313 providers from the total with outstanding balances.

DLS notes that forgiveness plans based on amounts owed do not alleviate equity concerns in terms of forgiving those with fewer services provided. For instance, providers with a small amount outstanding still includes providers who have only submitted claims for less than 5% of their total estimated payments, suggesting fewer services being done by those providers during the period in question, as shown in **Exhibit 15**. The group of providers that would stand the most to gain from extended blanket forgiveness would be those who provided a relatively small number of services compared to what was paid to them through the estimated payments. However, DLS would note that this particular fairness concern is less acute with the plan as proposed by MDH for the group with under $10,000 outstanding.

Exhibit 15
Provider Forgiveness Equity
($ in Thousands)



Source: Maryland Department of Health; Department of Legislative Services

DLS recognizes the challenges in designing a forgiveness plan and estimating the amount required for any such plan. **However, as these funds were only provided for the purpose of forgiveness, DLS recommends adding budget bill language that restricts the $13 million in the general funds deficiency to only be used for provider forgiveness of overpayments for those owing less than $25,000 or be reserved for provider reimbursements. Further, DLS recommends adopting separate budget bill language restricting funds from the Secretary's budget pending submission of a report that outlines the forgiveness program used by the department to expend the $13 million fiscal 2022 general fund deficiency.**

Recoupment of Overpayments

In a November 17, 2021 notice to providers, Optum and MDH outlined their recoupment plan, which included three options for repayment:

- payment in full at the time of notice;
- a 12-month, interest-free repayment plan; or
- the option to credit current claims paid to offset all or some of the balances owed over a 12-month period, with final payment of any remaining amounts owed to be made at the end of the 12-month period.

HB 715/SB 549, as introduced, would prohibit the collection of overpayments unless the department or ASO is able to produce a Healthcare Electronic Remittance Advice Form 835 report needed for reconciliation that meets industry standards and includes the denial reason for the claims in question, a full and searchable claims history report, a 999 Functional Acknowledgement report for claims that have been rejected, and 277 report for each claim that has not proceeded to adjudication. Further, this legislation proposes to require ASO to obtain an independent auditor if it is unable to produce the reports specified to determine the exact amount owed by the provider. This legislation further specifies that the costs of the auditors are to be borne by ASO itself and that costs are not passed on to the State.

As discussed previously, the fiscal 2023 allowance of BHA relies on $100 million in special funds representing recoupments of overpayments to pay for costs associated with provider reimbursements. If these funds are not received, additional general funds will be required for these services.

2. State and National Trends Suggest Growing Behavioral Health Needs

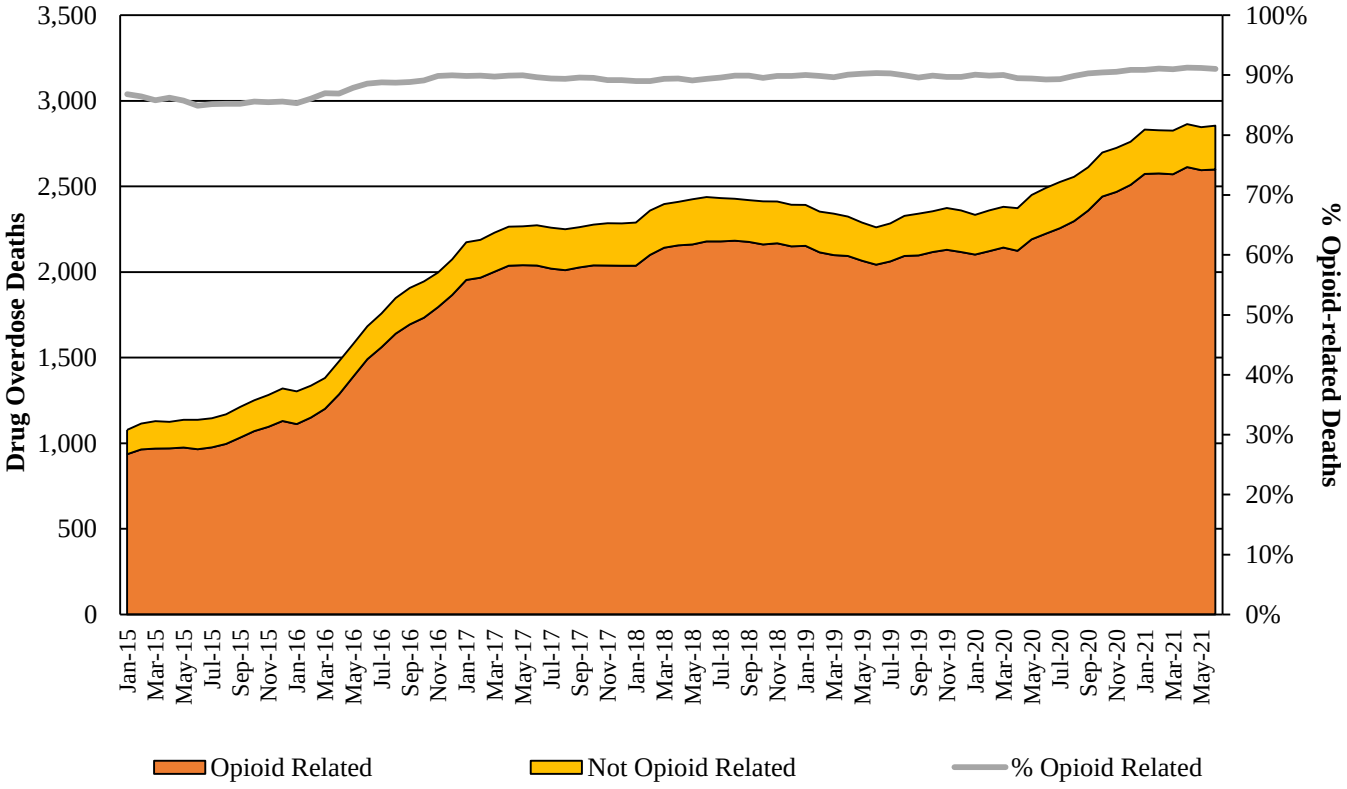
Many researchers have posited that the COVID-19 pandemic could exacerbate already troubling national behavioral health trends due to increased economic stress, social isolation, and decreased access to MH services and other community supports. Although the full impact of the pandemic on Marylanders' behavioral health is unknown, early trends such as overdose data and call volume to MH resources indicate significant behavioral health needs.

Nationwide Trends in Drug Overdose Deaths Remain True in Maryland

National data from the U.S Centers for Disease Control and Prevention (CDC) for the 12 months ending June 2021 suggest that this period was the deadliest in the history of the nationwide drug epidemic, with overdose deaths increasing nearly 20% nationwide over the previous period. Within this nationwide crisis, Maryland consistently remains one of the hardest hit jurisdictions. In fact, since 2016, Maryland has consistently ranked in the top 10 of drug overdose deaths when scaled to population. The

CDC data for those states within the top 10 in this rate for provisional counts of drug overdose deaths is shown in **Appendix 4**. For the 12 months ending June 2021, Maryland had the sixth highest rate in the nation, or 46.22 deaths per 100,000 population. **Exhibit 16** shows the provisional drug overdose deaths in the State since 2015 and the share of which are specifically attributed to opioids. Not only has the number of overdoses in the State increased, but it is regularly attributed to opioids.

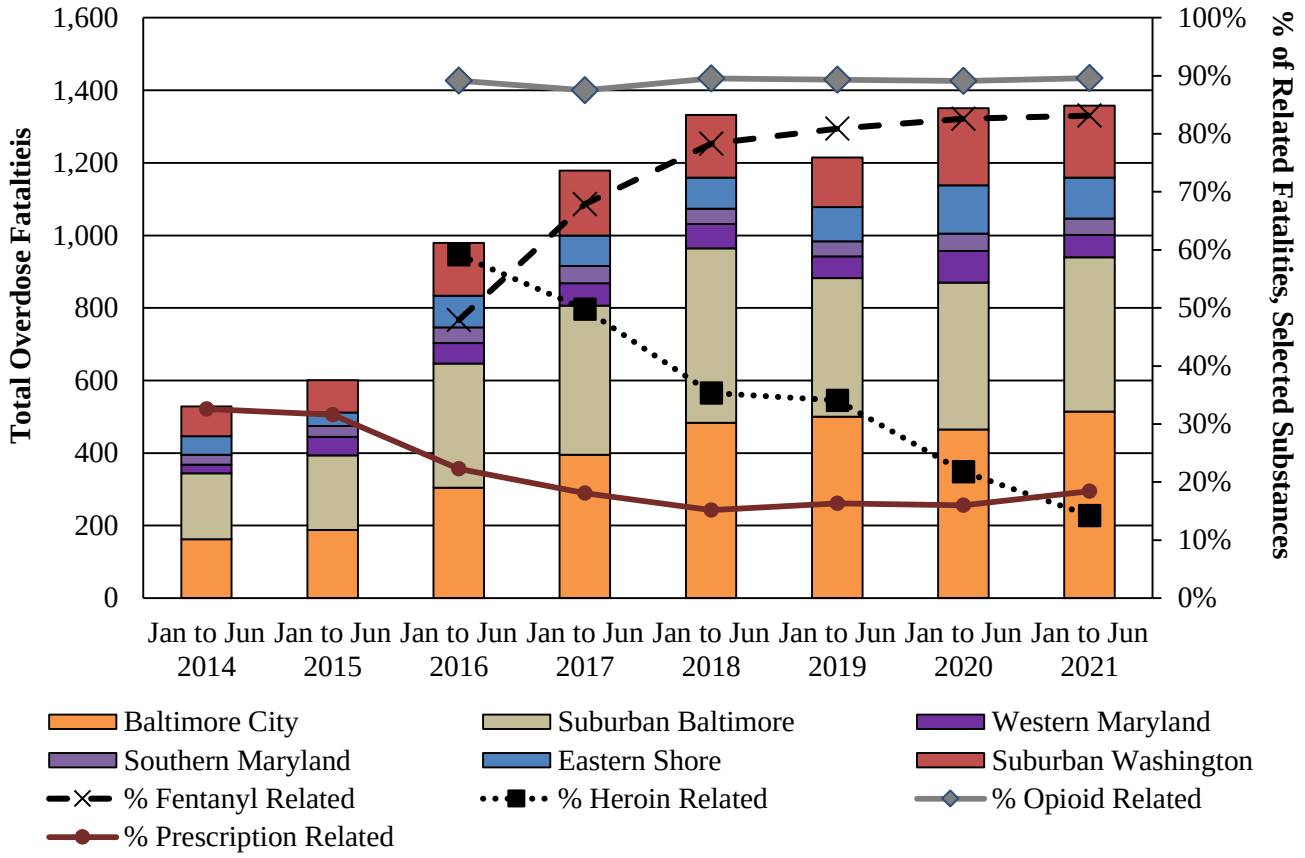
Exhibit 16
Maryland Drug Overdose and Opioid-related Deaths
12 Months Ending January 2015 to June 2021



Source: U.S. Centers for Disease Control and Prevention; Department of Legislative Services

Exhibit 17 uses data from the Opioid Operational Command Center (OOCC) to focus on Maryland jurisdictions and the prevalence of particular substances within Maryland's drug crisis. The precise change in opioid-related fatalities by jurisdiction over the same period from 2020 to 2021 is shown with the map in **Appendix 4**. The increases in opioid overdose deaths in Baltimore City and the surrounding counties have driven the statewide increase in the number of opioid-related fatalities over the first six months of 2021 when compared to the prior period. Both provisional data counts from OOCC and are significantly lagged, perhaps further understating the potential challenges with the opioid crisis during the pandemic.

Exhibit 17
Maryland Overdoses by Region and Related Substances



Eastern Shore: Caroline, Cecil, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and Worcester counties
Southern Maryland: Calvert, Charles, and St. Mary's counties
Suburban Baltimore: Anne Arundel, Baltimore, Carroll, Harford, and Howard counties
Suburban Washington: Frederick, Montgomery, and Prince George's counties
Western Maryland: Allegany, Garrett, and Washington counties

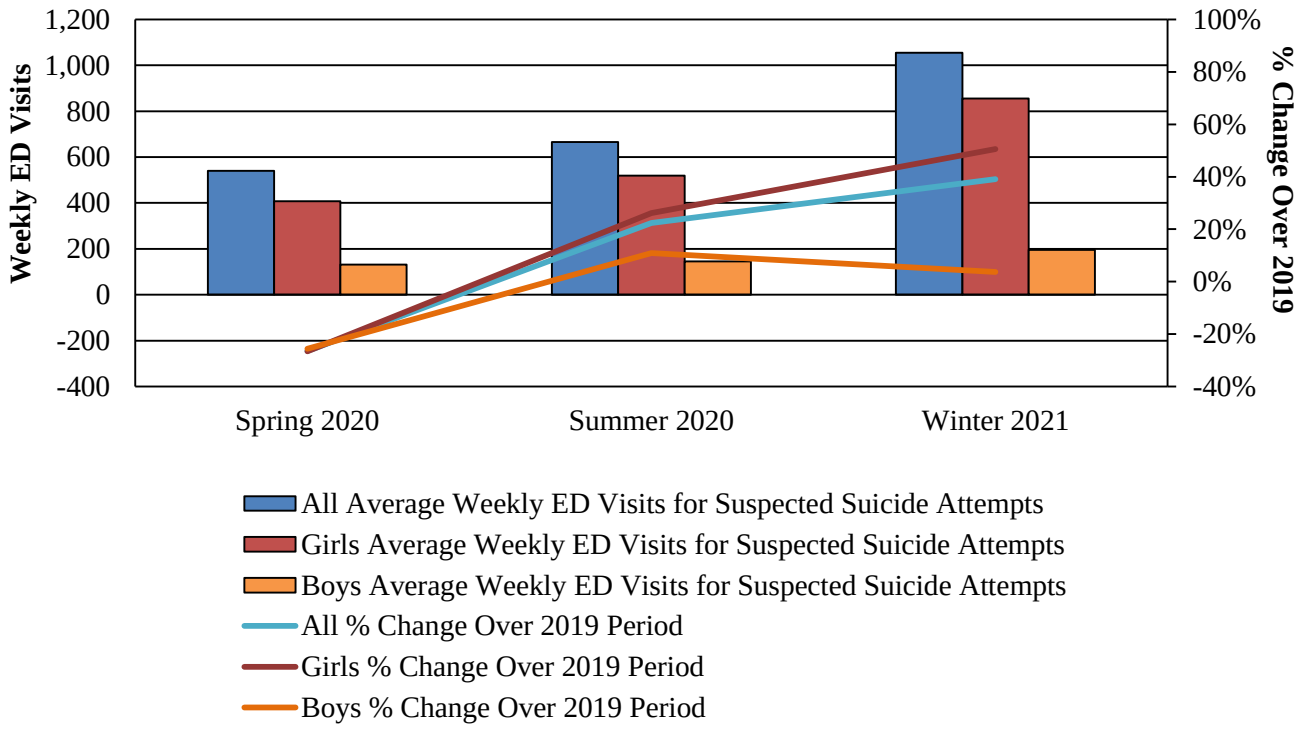
Source: Opioid Operational Command Center; Department of Legislative Services

Growing Concerns of Mental Health Needs Nationwide and in Maryland

The federal government has expressed concerns recently with the MH needs throughout the country, particularly with youths and young adults. On December 7, 2021, U.S. Surgeon General Vivek H. Murthy released an advisory on youth MH and suicide, writing that "The COVID-19 pandemic further altered their experiences at home, school, and in the community, and the effect on their MH has been devastating. The future wellbeing of our country depends on how we support and invest in the next generation."

Supporting this sentiment is research by CDC finding that emergency department (ED) visits related to suspected suicide attempts are up over the same period in 2019 for adolescents, with particularly stark increases for young girls (winter 2021 saw a 50% increase in ED visits related to suspected suicide attempts for adolescent girls aged 12 to 17 over the same period in 2019). Additionally, the share of ED visits related to MH for youths under 18 increased in 2020 over 2019. These findings from CDC are summarized in **Appendix 5** and highlighted in **Exhibit 18**. DLS notes that suicide and suicide ideation or attempts are an incredibly complex issue that are impacted by any number of unique factors for any one individual. Rates of suicide attempts or fatalities throughout this section are not meant to be used for causal conclusions of any one particular factor or trend, rather as a barometer for MH needs in the State.

Exhibit 18
Nationwide Rate of ED Visits for Suspected Suicide Attempts
January 1, 2019, to May 15, 2021



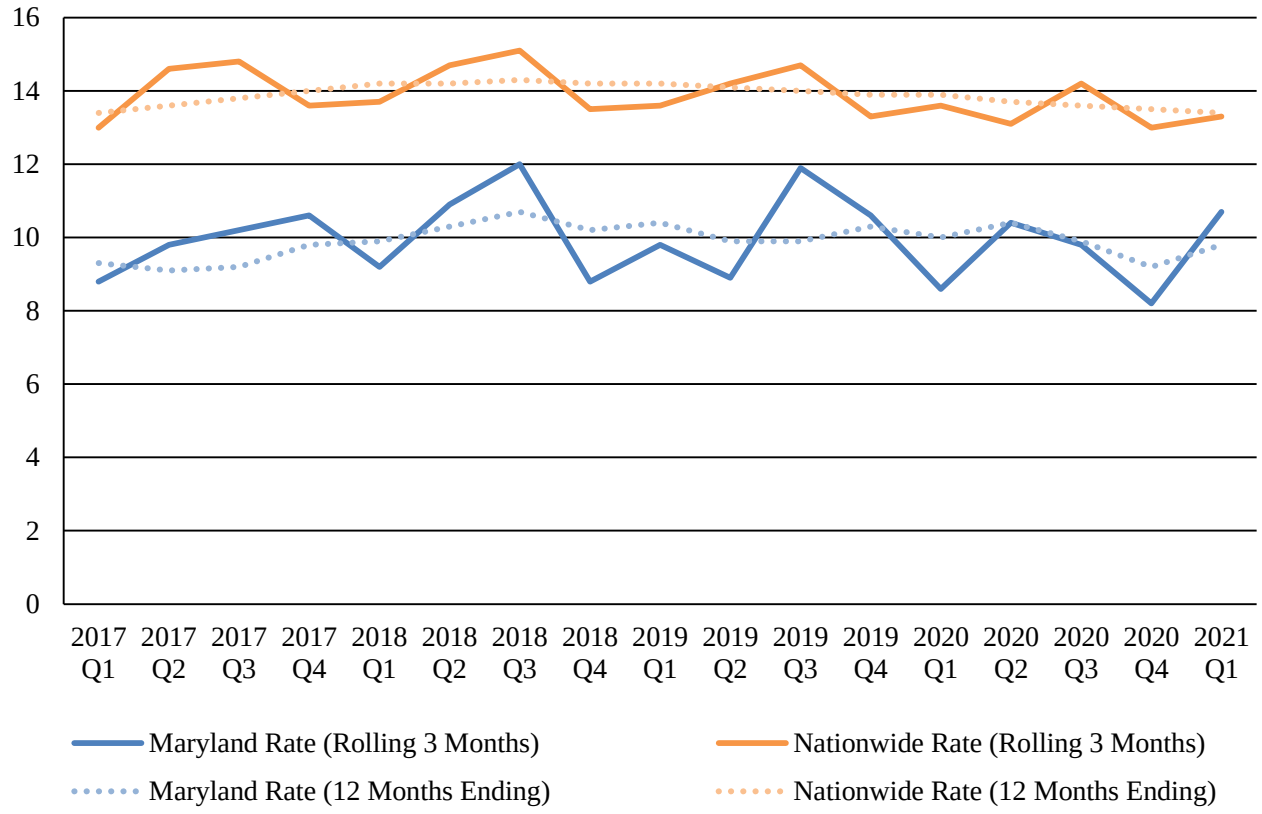
ED: emergency department

Note: Data is shown only for the surveillance periods (spring 2020: March 29, 2020, to April 25, 2020; summer 2020: July 26, 2020, to August 22, 2020; and winter 2021: February 21, 2021, to March 20, 2021). Thus, the date range is different from that in the figures, which depict the entire study period (January 1, 2019, to May 15, 2021).

Source: U.S. Centers for Disease Control and Prevention

Maryland has traditionally had a lower rate of suicide fatalities than the nation, as shown in **Exhibit 19**. However, data for the first quarter of 2021 shows Maryland trending counter to the nation, with Maryland seeing a much larger increase in the suicide rate in the most recent three months than the nation. The first quarter of 2020 had a relatively low rate of suicide deaths in the State, which of course largely captured a period before the onset of the COVID-19 pandemic, while the rate for the first quarter of 2021 would have captured the entire pandemic period available in the data to date.

Exhibit 19
Maryland Rates of Suicide Relative to Nationwide Rate
Q1 2017 to Q1 2021

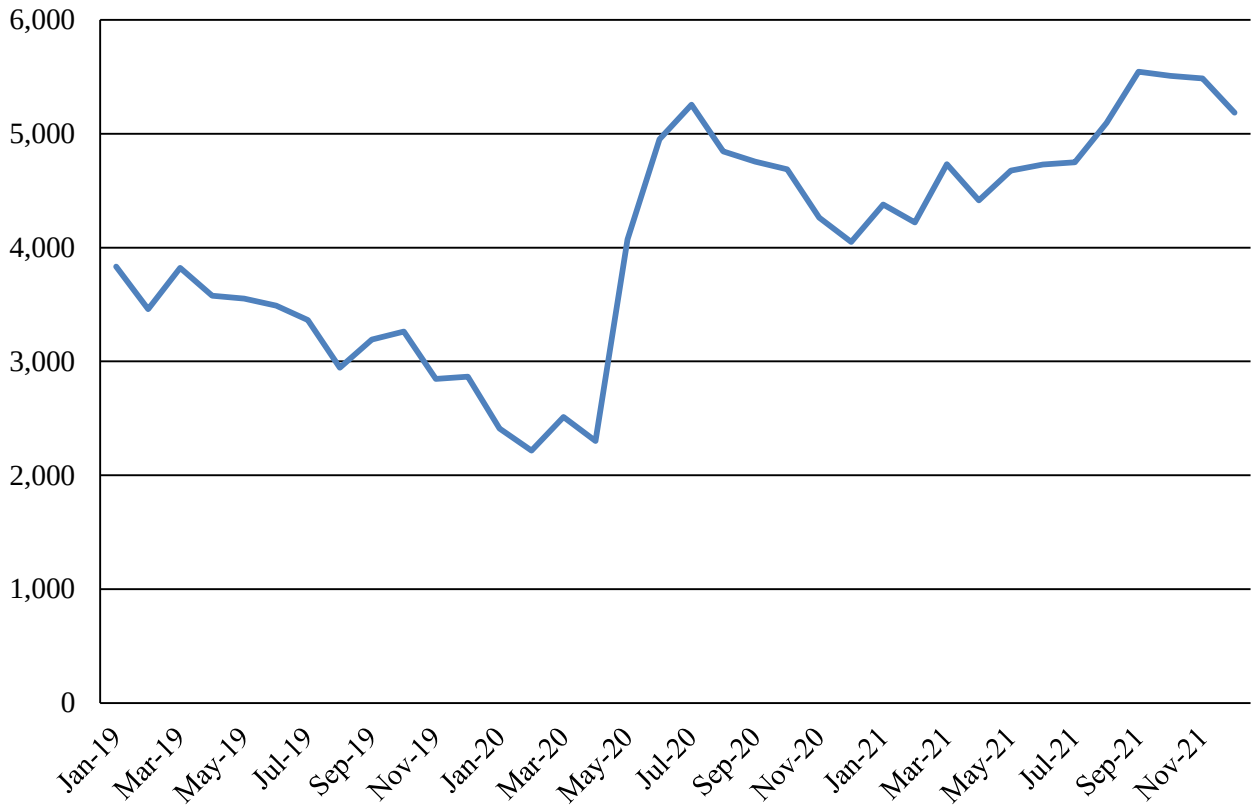


Source: U.S. Centers for Disease Control and Prevention

Crisis Lines and Increase in Call Volumes

While State-level data also presents challenges with the delays in reporting, DLS has previously cited calls to Behavioral Health Systems Baltimore's Crisis Hotline Here2Help as a proxy for MH needs. As shown in **Exhibit 20**, call volumes spiked shortly after the onset of the crisis and have subsequently remained elevated, reaching new heights as recently as September 2021.

Exhibit 20
Here2Help Call Volumes



Source: Behavioral Health Systems Baltimore

Not only has the need for MH hotlines likely expanded throughout the pandemic, but federal action on the new 988 hotline is likely to further increase demand. On July 16, 2020, the Federal Communications Commission adopted rules to establish 988 as the new, nationwide, three-digit phone number for Americans in crisis to connect with suicide prevention and MH counselors. The rules require all phone service providers to direct all 988 calls to the existing National Suicide Prevention Lifeline by July 16, 2022. This is anticipated to further increase call volumes to Maryland's crisis services. The budget committees were interested in the impact that this implementation would have in the State and added committee narrative to the 2021 JCR requesting a report on the 988 implementation. The Greater Baltimore Regional Integrated Crisis System (GRBICS), funded in part with support from the Health Services Cost Review Commission's catalyst grant program, is another new tool in the State to address growing MH needs. The 2021 JCR also requested a report on GBRICS and, in particular, the care traffic control system of this program. At the time of this writing, neither of these reports have been submitted. **MDH should comment on when these outstanding responses to the JCR will be submitted.**

Currently, HB 293/SB 241, as introduced, would establish a trust fund for the 988 hotline and associated crisis services, including (1) crisis call centers; (2) mobile crisis team services; (3) crisis stabilization centers; and (4) other acute behavioral health care services. MDH reports that a federal grant of $2 million is anticipated to assist with the implementation and capacity building for the 988 hotline. This grant is likely to ultimately be spread over fiscal 2023 and 2024 and is currently not reflected in the fiscal 2023 allowance.

Additionally, the State's Major Information Technology Development Project Fund currently includes $3.6 million for the development of a bed registry and referral system, as mandated under Chapter 29 of 2021. As part of this legislative mandate, the new system aims to integrate and assist the State's current behavioral health crisis response system. This project is discussed further in **Appendix 2**.

Operating Budget Recommended Actions

1. Add the following language:

   Further provided that $500,000 of this appropriation made for the purposes of executive direction may not be expended until the Maryland Department of Health submits a report to the budget committees on the recoupment of overpayments, forgiveness of overpayments to providers, specifically accounting for expenditures from the fiscal 2022 deficiency appropriation provided for this purpose, and any equity considerations around the chosen forgiveness and recoupment options. The report shall be submitted by August 1, 2022, and the budget committees shall have 45 days to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

   Explanation: The nearly eight-month estimated payments period required due to the failed launch of the new Administrative Services Organization resulted in overpayments to providers currently estimated to be $214 million, for which the Maryland Department of Health (MDH) is going to begin the recoupment of funds. The department has also received a $13 million general fund deficiency for the forgiveness of certain providers. This language restricts funding pending a report on the process used by the department to determine the forgiveness of overpayments, including an accounting of the expenditures from the fiscal 2022 deficiency appropriation provided for this purpose and equity considerations around the particular forgiveness plan chosen and the recoupment plan undertaken.

Information Request	**Author**	**Due Date**
Report on recoupment and forgiveness	MDH	August 1, 2022

2. Add the following language:

   Provided that these funds are to be used only for the purposes herein appropriated, and there shall be no transfer to any other program or purpose except that funds may be transferred to programs M00L01.03 Community Services for Medicaid State Fund Recipients or M00Q01.10 Medicaid Behavioral Health Provider Reimbursements. Funds not expended or transferred shall be reverted or canceled.

   Explanation: This language restricts the entire appropriation for substance use disorder treatment, uninsured treatment, or other community service grants for that purpose or for provider reimbursements in M00L01.03 Community Services for Medicaid State Fund Recipients or M00Q01.10 Medicaid Behavioral Health Provider Reimbursements.

		Amount Reduction	
3.	Delete fiscal 2023 funds mistakenly budgeted as federal funds to support the home- and community-based services rates increase for fiscal 2023. These funds will ultimately be replaced with general funds.	$ 6,134,591	FF

4. Adopt the following narrative:

Statewide Telebehavioral Health Services Utilization: The committees are encouraged by the growth of telebehavioral health services in the rural parts of the State and are interested in the prevalence and provision of these services elsewhere in Maryland. The committees request that the Maryland Department of Health (MDH) expand the data reported in the Managing for Results (MFR) budget submission to include the prevalence of telebehavioral health services statewide.

Information Request	Author	Due Date
Statewide data on telebehavioral health services	MDH	With the fiscal 2024 MFR submission

5. Adopt the following narrative:

Prevalence and Access to Medication-Assisted Treatment (MAT): The committees are interested in the availability and prevalence of MAT statewide. The committees request that the Maryland Department of Health (MDH) submit a report detailing the prevalence of MAT providers by jurisdiction. This report should also include a discussion of barriers to the access or further availability of MAT for individuals with substance use disorders.

Information Request	Author	Due Date
MAT availability and barriers to access or expansion	MDH	October 1, 2022

6. Add the following language:

Provided that these funds are to be used only for the purposes herein appropriated, and there shall be no transfer to any other program or purpose except that funds may be transferred to programs M00L01.02 Community Services or M00Q01.10 Medicaid Behavioral Health Provider Reimbursements. Funds not expended or transferred shall be reverted or canceled.

Explanation: This language restricts the entire appropriation for Medicaid State Funded Mental Health Services for that purpose or for provider reimbursements in M00L01.02 Community Services or M00Q01.10 Medicaid Behavioral Health Provider Reimbursements.

7. Add the following language:

Provided that these funds are to be used only for the purposes herein appropriated, and there shall be no transfer to any other program or purpose except that funds may be transferred to programs M00L01.03 Community Services for Medicaid State Fund Recipients or M00L01.02 Community Services. Funds not expended or transferred shall be reverted or canceled.

Explanation: This language restricts the entire appropriation for Medicaid behavioral health provider reimbursements for that purpose or for provider reimbursements in M00L01.03 Community Services for Medicaid State Funded Recipients or M00L01.02 Community Services.

		Amount Reduction	
8.	Delete federal funds from home- and community-based services deficiencies for fiscal 2022. This represents double-budgeted funds and funds that were mistakenly appropriated as federal funds. Sufficient federal fund appropriation exists to support anticipated expenditures.	67,545,145	FF

9. Add the following language to the general fund appropriation:

, provided that $1,828,152 of this appropriation made for the purposes of issues related to the Behavioral Health Administrative Services Organization may not be expended for that purpose but instead may only be used for forgiveness of provider overpayments for providers owing less than $25,000 or be used for provider reimbursements. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund.

Explanation: Under the current plan outlined by the department, only $3 million of the $13 million in funding provided through the deficiency appropriation has been earmarked for provider forgiveness. This action restricts all funding made available through the deficiency for provider forgiveness for those owing less than $25,000 or for support for provider reimbursements.

10. Add the following language to the general fund appropriation:

, provided that $11,179,744 of this appropriation made for the purposes of issues related to the Behavioral Health Administrative Services Organization may not be expended for that purpose but instead may only be used for forgiveness of provider overpayments for providers owing less than $25,000 or for provider reimbursements. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund.

Explanation: Under the current plan outlined by the department, only $3 million of the $13 million in funding provided through the deficiency appropriation has been earmarked for provider forgiveness. This action restricts all funding made available through the deficiency for provider forgiveness for providers owing less than $25,000 or to support provider reimbursements.

Total Reductions to Fiscal 2022 Deficiency $67,545,145

Total Federal Fund Reductions to Allowance $6,134,591

Appendix 1
2021 *Joint Chairmen's Report* Responses from Agency

The 2021 JCR requested that MDH BHA prepare five reports. Electronic copies of the full JCR responses can be found on the DLS Library website.

- ***Report on the Assisted Reconciliation Process:*** The committees requested that MDH provide details on the assisted reconciliation process, including the enlistment of third-party mediation for providers under dispute with the amounts owed to the department. This report was submitted on October 1, 2021; however, funds were not released as the General Assembly found the report insufficient. In particular, the committees underscored that further information requested, including the ability to furnish certain revenue management reports, and use of the Office of Administrative Hearings for mediation, as requested during a November 4, 2021 hearing, had yet to be provided to the committee. The ASO issue and the assisted reconciliation process are discussed in depth in Issue 1 of this analysis.

- ***Ongoing Reporting on the Functionality of ASO:*** The committees requested that MDH provide status updates on certain features of the current ASO. These reports have been submitted regularly. In these reports, MDH and Optum have regularly reported processing over 99% of claims within 14 days. The claims denial rate has been between 15% and 17% over the reporting period. However, with the system processing seemingly improved, MDH and Optum performance reports noted other system features still under development or needing improvement, including certain types of reports.

- ***Continued Reporting on PRPs:*** During the 2020 legislative session, DLS expressed concerns about the growth in PRP expenditures. At the time of the 2021 session, this report was outstanding, and DLS renewed the request and added additional information requests as PRPs represented a disproportionate share of overpayments. During the 2021 interim, the initial report was submitted by MDH; however, this renewed request from the 2021 JCR is still considered outstanding.

- ***GBRICS Care Traffic Control System:*** The budget committees requested that MDH submit a report on the GBRICS Care Traffic Control System and its infrastructure needs. This report has yet to be submitted.

- ***Implementation of New 988 Number for Suicide Hotline:*** The budget committees requested that MDH report on the implementation of the new 988 suicide hotline. This report has yet to be submitted.

Appendix 2
Bed Registry and Referral System
Major Information Technology Project
Maryland Department of Health – Behavioral Health Administration

This project is briefly discussed in Issue 2.

New/Ongoing: New								
Start Date: September 1, 2021				**Est. Completion Date:** March 31, 2024				
Implementation Strategy: Agile								
($ in Millions)	**Prior Year**	**2022**	**2023**	**2024**	**2025**	**2026**	**Remainder**	**Total**
GF	$0.000	$0.000	$3.669	$1.627	$0.529	$0.000	$0.000	$5.825
Total	**$0.000**	**$0.000**	**$3.669**	**$1.627**	**$0.529**	**$0.000**	**$0.000**	**$5.825**

- ***Project Summary:*** Chapter 29 calls for a system that includes (1) a searchable inventory of providers of public and private MH/SUD services, including inpatient, outpatient and crisis services; (2) allows self-service for the updating of registry information by providers themselves; (3) electronic referral system that is available to health care providers in Maryland; and (4) collaboration with the State's designated health information exchange (HIE).

- ***Need:*** This project is both in response to the legislative mandate under Chapter 29 and addresses the business needs of BHA to develop a reliable bed registry and referral system.

- ***Observations and Milestones:*** MDH has reported conducting a feasibly study for this project, which included outreach to the State's designated HIE and other states who have implemented a similar system: Colorado; Connecticut; Florida; Georgia; and Rhode Island.

Appendix 3
States with 10 Highest Rates of Drug Overdose Deaths Per Capita

Nationwide Rank in Drug Overdoses Per 100,000 Population – 12 Months Ending June of Given Year

	2015		2016		2017		2018		2019		2020		2021	
Rank	**State**	**Rate**	**State**	**Rate**	**State**	**Rate**	**State**	**Rate**	**State**	**Rate**	**State**	**Rate**	**State**	**Rate**
1	WV	37.97	WV	44.82	WV	56.14	WV	50.18	WV	45.72	DC	70.05	WV	76.82
2	NH	30.20	NH	31.07	DC	55.69	DC	41.19	DC	44.38	WV	61.99	DC	72.37
3	RI	26.97	OH	30.95	OH	44.86	MD	39.47	DE	42.22	DE	48.08	KY	51.04
4	KY	26.59	RI	30.80	PA	42.36	DE	37.07	MD	36.60	OH	40.93	TN	50.46
5	OH	25.86	KY	30.43	MD	36.80	PA	36.96	OH	35.15	MD	40.33	LA	48.33
6	NM	24.51	DC	30.16	KY	34.71	OH	35.15	PA	32.93	TN	38.11	MD	46.22
7	PA	22.80	MA	28.46	NH	33.18	NH	32.74	NH	31.65	PA	37.90	DE	45.56
8	DE	20.10	PA	28.12	DE	31.62	MA	32.56	RI	31.07	KY	37.86	OH	45.09
9	MA	20.03	MD	27.25	MA	29.94	KY	30.60	MA	30.87	CT	37.38	NM	41.23
10	MI	19.97	CT	25.21	CT	29.28	RI	30.25	CT	30.56	LA	35.23	PA	40.85

Source: U.S. Centers for Disease Control and Prevention; Department of Legislative Services

Appendix 4
Change in Opioid-related Fatalities
January to June, 2020 versus 2021

Garrett	Allegany	Washington	Frederick	Carroll	Baltimore	Harford	Cecil
-66.7%	-22.7%	-37.5%	-38.2%	28.6%	3.4%	29.4%	-13.6%
-2	-5	-21	-13	6	6	10	-6
↓	↓	↓	↓	↑	↑	↑	↓

Montgomery	Howard	Baltimore City	Kent
17.6%	-48.1%	11.8%	150%
9	-13	51	3
↑	↓	↑	↑

Prince George's	Anne Arundel	Queen Anne's
-13.8%	11.7%	16.7%
-12	12	1
↓	↑	↑

Charles	Calvert	Talbot	Caroline
-29.4%	-18.2%	-28.6%	-62.5%
-5	-2	-2	-5
↓	↓	↓	↓

St. Mary's	Dorchester	Wicomico
63.6%	-9.1%	25.0%
7	-1	4
↑	↓	↑

Somerset	Worcester
-28.6%	-50.0%
-2	-7
↓	↓

Statewide Measures
1.1%
13
↑

Legend: Opioid Related Fatalities Jan to June 2020 versus 2021		
% Change in Fatalities / Absolute Change in Fatalities	Increase/Decrease in Fatalities Over 2020	
Absolute Change	**Increase**	**Decrease**
+/-5 or Fewer	↑	↓
+/-6 to 10	↑	↓
+/-11 to 20	↑	↓
+/-21 or More	↑	↓
No Change		↔

Source: Opioid Operational Command Center; Department of Legislative Services

Appendix 5
Summary of U.S. Centers for Disease Control and Prevention Findings on Youth MH Needs

	Adolescents Aged 12-17					
	All		Girls		Boys	
	Average Weekly ED Visits for Suspected Suicide Attempts	% Change Over 2019 Period	Average Weekly ED Visits for Suspected Suicide Attempts	% Change Over 2019 Period	Average Weekly ED Visits for Suspected Suicide Attempts	% Change Over 2019 Period
Spring 2020	540.25	-26.45%	408.25	-26.57%	131.75	-25.56%
Summer 2020	665.5	22.33%	518.5	26.16%	145.75	10.84%
Winter 2021	1,054.25	39.13%	855.5	50.55%	195.5	3.71%
	Young Adults Aged 18-25					
	All		**Women**		**Men**	
Spring 2020	646.5	-16.80%	385.5	-20.68%	257.5	-10.75%
Summer 2020	754.75	-5.60%	465.25	-2.82%	297.5	-9.37%
Winter 2021	786.5	1.68%	489.75	5.83%	294.75	-4.22%

Note: Data are shown only for the surveillance periods (spring 2020: March 29, 2020, to April 25, 2020; summer 2020: July 26, 2020, to August 22, 2020; and winter 2021: February 21, 2021, to March 20, 2021). Thus, the date range is different from that in the figures, which depict the entire study period (January 1, 2019, to May 15, 2021).

MH-related ED Visits per 100,000 Visits

	2019			2020		
	Weeks 1-11	Weeks 12-42	Weeks 1-42	Weeks 1-11	Weeks 12-42	Weeks 1-42
Ages 0-4	69	75	73	56	81	75
Ages 5-11	707	782	762	769	972	919
Ages 12-17	3,045	3,098	3,084	3,333	4,051	3,863
All Less Than Age 18	1,044	1,161	1,130	1,162	1,673	1,539

Note: Weeks 1 through 42 in 2019 correspond to December 30, 2018, to October 19, 2019; in 2020, weeks 1 through 42 correspond to December 29, 2019, to October 17, 2020. Weeks 1 through 11 in 2019 correspond to December 30, 2018, to March 16, 2019; in 2020, weeks 1 through 11 correspond to December 29, 2019, to March 14, 2020. Weeks 12 through 42 in 2019 correspond to March 17, 2019, to October 19, 2019; in 2020, weeks 12 through 42 correspond to March 15, 2020, to October 17, 2020.

Source: U.S. Centers for Disease Control and Prevention; Department of Legislative Services

Appendix 6
Object/Fund Difference Report
Maryland Department of Health – Behavioral Health Administration

Object/Fund	FY 21 Actual	FY 22 Working Appropriation	FY 23 Allowance	FY 22 - FY 23 Amount Change	Percent Change
Positions					
01 Regular	134.80	134.80	132.80	-2.00	-1.5%
02 Contractual	40.06	66.05	58.60	-7.45	-11.3%
Total Positions	**174.86**	**200.85**	**191.40**	**-9.45**	**-4.7%**
Objects					
01 Salaries and Wages	$ 14,798,178	$ 14,209,277	$ 15,055,736	$ 846,459	6.0%
02 Technical and Special Fees	2,674,407	4,169,495	3,711,303	-458,192	-11.0%
03 Communication	42,167	145,953	94,082	-51,871	-35.5%
04 Travel	27,167	78,146	50,468	-27,678	-35.4%
08 Contractual Services	2,148,464,751	2,541,518,043	2,560,896,508	19,378,465	0.8%
09 Supplies and Materials	19,684	55,204	47,600	-7,604	-13.8%
10 Equipment – Replacement	46,191	1,000	1,000	0	0%
11 Equipment – Additional	6,895	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	0	0	2,500,000	2,500,000	N/A
13 Fixed Charges	88,292	63,935	66,848	2,913	4.6%
Total Objects	**$ 2,166,167,732**	**$ 2,560,241,053**	**$ 2,582,423,545**	**$ 22,182,492**	**0.9%**
Funds					
01 General Fund	$ 848,711,857	$ 930,720,172	$ 999,200,082	$ 68,479,910	7.4%
03 Special Fund	40,187,428	35,924,599	143,325,459	107,400,860	299.0%
05 Federal Fund	1,271,646,528	1,587,361,828	1,433,848,044	-153,513,784	-9.7%
09 Reimbursable Fund	5,621,919	6,234,454	6,049,960	-184,494	-3.0%
Total Funds	**$ 2,166,167,732**	**$ 2,560,241,053**	**$ 2,582,423,545**	**$ 22,182,492**	**0.9%**

Note: The fiscal 2022 appropriation does not include deficiency appropriations. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

Appendix 7
Fiscal Summary
Maryland Department of Health – Behavioral Health Administration

Program/Unit	FY 21 Actual	FY 22 Wrk Approp	FY 23 Allowance	Change	FY 22 - FY 23 % Change
01 Dep. Sec. for Behavioral Health and Disabilities	$ 1,581,348	$ 1,791,653	$ 1,447,681	-$ 343,972	-19.2%
01 Program Direction	16,566,375	14,498,510	16,151,202	1,652,692	11.4%
02 Community Services	340,040,483	409,167,204	395,454,194	-13,713,010	-3.4%
03 Community Services for Medicaid State Fund	99,992,758	93,788,656	97,517,003	3,728,347	4.0%
10 Medicaid Behavioral Health Provider	1,707,986,768	2,040,995,030	2,071,853,465	30,858,435	1.5%
Total Expenditures	**$ 2,166,167,732**	**$ 2,560,241,053**	**$ 2,582,423,545**	**$ 22,182,492**	**0.9%**
General Fund	$ 848,711,857	$ 930,720,172	$ 999,200,082	$ 68,479,910	7.4%
Special Fund	40,187,428	35,924,599	143,325,459	107,400,860	299.0%
Federal Fund	1,271,646,528	1,587,361,828	1,433,848,044	-153,513,784	-9.7%
Total Appropriations	**$ 2,160,545,813**	**$ 2,554,006,599**	**$ 2,576,373,585**	**$ 22,366,986**	**0.9%**
Reimbursable Fund	$ 5,621,919	$ 6,234,454	$ 6,049,960	-$ 184,494	-3.0%
Total Funds	**$ 2,166,167,732**	**$ 2,560,241,053**	**$ 2,582,423,545**	**$ 22,182,492**	**0.9%**

Note: The fiscal 2022 appropriation does not include deficiency appropriations. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.