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# Behavioral Health Payor Surcharge – FY23 H.2 Budget Proposal

*January 2022*

**The Commonwealth’s *Roadmap for Behavioral Health Reform* outlines a series of reforms to significantly and equitably expand access to behavioral health treatment services.** Two of the key reforms proposed in the *BH Roadmap* include:

* A “**front door” for consumers to get connected to the right treatment in real time**: a new, **24/7 Behavioral Health Help Line** for Commonwealth residents in search of mental health and substance use disorder outpatient services for routine, urgent, and crisis needs
* A stronger, **statewide system of 24/7 community and mobile behavioral health crisis intervention, available to all residents**, to serve as an alternative to the emergency department

Both of these initiatives are designed to be **available to all residents, regardless of insurance or the ability to pay,** through centralized, statewide infrastructure. The two initiatives are expected to **cost ~$80-$85 million per year.**

**The proposed Behavioral Health Payor Surcharge in the Governor’s FY23 budget will require commercial health insurance payors to contribute toward the cost of these statewide services**

* **A $33.7 million payor surcharge would support the cost of services for commercially-insured residents** and share in the cost of services for residents covered by Medicare or who are uninsured
* The Commonwealth would cover the costs of services for MassHealth members and the remaining half of costs for Medicare-covered and uninsured residents (~$50 million)

**The surcharge is modeled on existing surcharges, with funds held in a Trust Fund to support the 24/7 Behavioral Health Help Line and behavioral health mobile crisis services**

* EOHHS will determine surcharge rates to generate the total annual surcharge amount
* **Surcharge payors will be insurers** that pay for hospital and ambulatory surgical center services totaling over $1,000,000 in charges annually
  + This is the same group subject to the Commonwealth’s Vaccine Surcharge and MA Child Psychiatry Access Program (MCPAP) Assessment
* **A new Trust Fund will be created for the funds** collected from the surchargeto support the 24/7 Behavioral Health Help Line and behavioral health mobile crisis intervention services

**The surcharge is an important component of the *Roadmap for Behavioral Health Reform.*** Additional upcoming initiatives include:

* A **procurement for Community Behavioral Health Centers (CBHCs)**, hubs for evidence-based mental health and addiction services, including same-day evaluations, referrals and ongoing treatment
* **Behavioral Health Urgent Care services** offered at 11 locations across the state to provide services in the community and decrease visits to emergency departments, with additional locations to be added
* **A 10% increase in MassHealth outpatient behavioral health rates** across the board, building on the temporary pandemic 10% rate increase
* **A total investment of $115 million in the FY23 budget to support Roadmap initiatives**