

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 surcharge to 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**