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PRESS RELEASE

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NH's BEHAVIORAL HEALTH SERVICES AT RISK

Local Centers Faced With Large State-Federal Rate Cuts

Concord, NH: Reports of a \$500K shortfall faced by one of the state's ten community mental health centers - Monadnock Family Services in Keene – have prompted the NH Community Behavioral Health Association (NHCBHA) to announce that new federal rules, state revenue shortfalls, and increased limits on insurance and Medicaid benefits have combined to create a perfect storm for these non-profits.

Jay Couture, chair of the Association, identified several problems which are causing the Medicaid system to shift costs to the non-profit centers and a reduction in any non-Medicaid funds to shrink:

- **Decreased state funding:** A recent report from the NH Center for Public Policy Studies shows that for the period of 2008-2009, recipients of community mental health services have increased by 5% while state funding increased only 2%.
- **Budget cuts:** Cuts to the Department of Health and Human Services (DHHS) budget have already been made this year due to decreased state revenue. DHHS provides the community mental health centers with over half of their funding, most of which is matched by federal Medicaid funds. The expectation is that even deeper cuts may be on the way as the Legislature grapples with the budget deficit. Every dollar in general fund cuts to mental health centers results in two dollars lost from total revenue.
- **Medicaid cost-shift:** In FY2007, the state shifted \$4.5M in Medicaid costs to the centers. The cost-shift comes about as a consequence of the state Medicaid program requiring recipients who make more than \$594 per month to meet a monthly spend-down or deductible before benefits are made active. Given the cost of living in New Hampshire, these clients most often do not have the means to pay the out of pocket cost, but services are still provided by the mental health center as required. The state does not reimburse centers for the cost of providing these services when the consumer cannot pay.

- Insurance costs: Since 1990, insurers have increased premium costs to employers, causing some to increase deductibles and co-pays for employees and to become self-funded plans which are allowed to reduce benefits for mental health care despite New Hampshire's strong parity law. This trend has created a population of under-insured who now outnumber the uninsured in our region.
- Federal rules: A new federal rule on billing for targeted case management will mean about \$20M in losses for the centers over the next year. Some members of Congress have criticized the rule, which took effect March 3rd, as a backdoor way of changing Medicare and Medicaid laws, because it was promulgated by the Centers for Medicare and Medicaid (CMS) without public or congressional input or approval. On March 14, a bipartisan bill was introduced to place a one year moratorium on this and six other Medicaid regulations.

Couture pointed out, "These state, federal and insurance changes do not eliminate the requirement of community mental health centers to provide state-mandated services or the need for behavioral health services, but only shift these costs to others. The reality is that our non-profit centers cannot continue to absorb losses, and may have to reduce the availability of services, eliminate consumer programs or even close completely, if these trends continue."

Ken Jue, Executive Director of Monadnock Family Services said, "We have already eliminated 8 staff positions at our center since January and more cuts are expected." Jue added, "While we take our mission to provide a point of service delivery quite seriously, ultimately it is the State of New Hampshire's legal responsibility to provide health care to the Medicaid population."

About NHCBA

The NH Community Behavioral Health Association is an organization comprised of the ten community mental health centers throughout New Hampshire. These centers serve individuals in our state who are living with—and recovering from—mental illness and emotional disorders. In fiscal year 2006, this network of mental health centers provided ongoing and emergency behavioral health services to over 41,000 New Hampshire residents, a number that includes over 11,000 children.

The goal of the Association is to raise awareness about the crucial role played by community-based mental health centers to ensure public safety and overall public health for all New Hampshire residents. In addition, the Association serves as an advocate for a strong mental health system across New Hampshire.