



**TESTIMONY OF  
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BEFORE THE  
APPROPRIATIONS COMMITTEE  
FRIDAY, MARCH 6, 2015**

**HB 6824, An Act Concerning The State Budget For The Biennium Ending June Thirtieth 2017, And Making Appropriations Therefor And Other Provisions Related To Revenue**

Good afternoon. My name is Carl Schiessl, and I am the Director, Regulatory Advocacy, for the Connecticut Hospital Association (CHA). I am here today to testify in opposition to **HB 6824, An Act Concerning The State Budget For The Biennium Ending June Thirtieth 2017, And Making Appropriations Therefor And Other Provisions Related To Revenue**. We oppose the imposition of budget cuts for mental health services, given the critical role that Connecticut hospitals play in providing all types of medical services to patients in Connecticut, including mental and behavioral health services. We will also offer a recommendation for the Committee's consideration regarding community care coordination.

Before commenting on the bill, it's important to point out that Connecticut hospitals treat everyone who comes through their doors 24 hours a day, regardless of ability to pay.

This is a time of unprecedented change in healthcare, and Connecticut hospitals are leading the charge to transform the way care is provided. They are focused on providing safe, accessible, equitable, affordable, patient-centered care for all, and they are finding innovative solutions to integrate and coordinate care to better serve their patients and communities.

During this critical juncture in the evolution of healthcare in Connecticut, the Governor has proposed for hospitals a lethal combination of cuts to reimbursement and an expansion of taxes. These funding cuts and higher taxes on hospitals, coupled with the proposed reductions impacting community providers, will shred what remains of the mental health safety net at the very time Connecticut residents are demanding improvements to the mental health system. The legislature should not abide by these proposed actions. We implore you to oppose them, and preserve and enhance the valuable services we have in place.

Every Connecticut hospital treats adults and children with behavioral health-related conditions. All hospitals provide some level of mental health and substance abuse services, whether through a distinct behavioral health department, a separate institution or division within the hospital system, or through outpatient services. Every hospital's Emergency Department (ED) is teeming with patients suffering from mental health and substance use disorders.

Connecticut hospitals and other providers have been engaged in a decades-long conversation about the lack of access faced by patients in need of mental health and substance abuse services in Connecticut, and the very real and negative results of ever-diminishing funding for these vital services. And, while funding levels shrink, the number of patients coming to hospitals for these services grows. Notably, we have witnessed increases in virtually every patient category.

- In 2014, more than 25 percent of all inpatient and ED visits to Connecticut hospitals were to treat patients with a principal or secondary diagnosis of a behavioral health disorder.
  - 38 percent of these visits occurred among Medicaid beneficiaries.
- When considering principal diagnoses only, Medicaid beneficiaries comprised more than 48 percent of all patient encounters with a behavioral health diagnosis.
- Between 2010 and 2014, Connecticut hospitals experienced a 31 percent increase in patient visits with a behavioral health diagnosis.
- There were more than 31,000 hospital visits for behavioral health among children and young adults ages 0-19 in 2014.
  - This represents a 13 percent increase in visits between 2010 and 2014 for this age group.

This spike in utilization is coming at time when the system is already plagued by long waits and financial or resource limitations to accessing therapeutic/residential placement, appropriate clinical treatment services, and supportive housing.

A patient experiencing a mental health crisis is often forced to spend days, or even weeks, in a hospital ED waiting for a bed in an appropriate facility, or waiting to be transitioned to the right outpatient setting simply because there are not enough resources available to meet the constant need. Others who are struggling, but who have not yet reached crisis level, have few places to turn as a result of a failed and fractured healthcare delivery infrastructure that allows a known need to go unmet. This unmet need is not new, and is well known to hospitals, community providers, and social welfare agencies.

Extended stays in the ED, a highly stimulating and potentially stress-inducing environment, can exacerbate a patient's condition rather than improve it. This problem is particularly acute for children and adolescents, for whom the need for services greatly outstrips the number of available beds and trained specialists.

The problem of insufficient supply can be seen throughout the care continuum. It can take months to schedule an outpatient visit with an adolescent mental health specialist. While waiting for that important visit, the family is forced to rely on the hope that the situation does not escalate to the point of emergency room care, but sadly it often does.

The Governor's proposed budget will reduce Medicaid coverage for some adults and cut close to \$25 million in grants to fund mental health treatment. In addition, one can only speculate whether an additional \$5.4 million will be paid ultimately because increased provider rates have yet to be approved by the Centers for Medicare & Medicaid Services. These reductions will tax the state's mental health system severely, and intensify the already extreme burden placed on hospital EDs and outpatient clinics as key providers of mental health safety net services.

We applaud the \$500,000 appropriated for supportive housing, \$3 million for the Governor's mental health initiative, and \$224,000 for substance abuse and opioid overdose prevention, but the limited good that will be achieved by these measures will pale in comparison to the large-scale damage that will be done to patients in need of mental health and substance abuse services as a result of the Governor's proposed budget.

In 2014, CHA convened a Subcommittee on Mental Health, comprising hospital behavioral health directors, emergency medicine physicians, chief executives, chief financial officers, and government affairs experts charged with developing recommendations to improve health outcomes, relieve the burden on EDs, and improve the adequacy of funding for key mental health safety net services. Attached for your reference is a [summary](#) of CHA's Mental Health Recommendations.

One innovative solution that is proven to achieve improved health outcomes for high-volume visitors to EDs, relief to behavioral healthcare providers, and potentially substantial and sustainable Medicaid savings to the state is known as a **Community Care Team (CCT)**. Across Connecticut, hospitals are teaming-up with other community-based healthcare providers and providers of wraparound social services to establish CCTs or to engage in other related community care coordination initiatives. These teams, which meet regularly, work collaboratively to enhance patient screening, ensure timely release of information, establish patient-centered intensive case management (ICM) plans, and engage patients in housing and social wraparound support services.

In places such as Middlesex Hospital, where CCTs have been established already, the patients enrolled in these programs have experienced improved health outcomes including sobriety, mental health stabilization, reduced homelessness, and re-entry to the workforce, highlighted by fewer ED visits. Hospitals have experienced a reduction in ED overcrowding, decreases in costs of care, and reduced losses for undercompensated and uncompensated care. Most notably, there is a positive impact on the state's bottom line, since typically more than half of these patients are Medicaid beneficiaries.

Across Connecticut, hospitals and other community healthcare and social service providers are demonstrating an unprecedented degree of dedication, cooperation, and commitment of time and resources to community care coordination. Efforts to organize CCTs have been driven by hospitals and other care providers, and have been funded through the generosity of these

providers primarily. In one instance, a CCT is funded by a grant from the Department of Mental Health and Addiction Services. Others have been formed pursuant to short-term initiatives such as the ED Frequent Visitor Project, sponsored by ValueOptions under the auspices of the Department of Social Services, or the Connecticut Hospital Association/Partnership for Strong Communities Opening Doors Hospital Work Group, funded by a grant from the Connecticut Health Foundation. These initiatives have worked well to demonstrate the potential value of CCTs, but we need your help to ensure statewide implementation of community care coordination.

In its 2014 report on *Hospital Emergency Department Use and Its Impact on the State Medicaid Budget*, the Program Review Committee (PRC) concluded that “the more successful initiatives, especially for frequent users of the ED who have behavioral health or substance abuse disorders, are associated with ICM programs that: (i) have more face-to-face client interaction; (ii) involve EDs in the selection of clients, and in the development of a care plan; (iii) perform ongoing, and not episodic, monitoring of clients’ stability and progress, including frequent meetings of providers involved in client care and services; and (iv) demonstrate a persistence in engaging the client and managing health and psycho-social needs.” The CCTs being established in Connecticut abide by the conclusions articulated by the PRC, and merit your consideration for financial support.

CHA has determined that an appropriation of \$3 million to the Department of Mental Health and Addiction Services will be sufficient to support grants to hospitals across the state for CCTs and related care coordination services, specifically for administrators to manage the CCTs and navigators/intensive case managers to coordinate the mental health and social service needs of each patient.

Hospitals and other community providers will continue to provide access to the clinicians, facilities, mental health treatment, and social services required by these patients. We need a relatively modest financial commitment from the state to turn an innovative community-based solution into a statewide best practice that will benefit patients, relieve pressure on providers, and achieve savings for the state.

Thank you for your consideration of our position. For additional information, contact CHA Government Relations at (203) 294-7310.

## CHA Mental Health Recommendations

The Connecticut Hospital Association (CHA) supports short- and long-term solutions to improve Connecticut's mental health system. These recommendations are intended to improve health outcomes, reduce unnecessary use of emergency department (ED) services, and ensure adequate funding for key safety net services.

### 1. Redesign the Medicaid Program to Support Mental Health Services.

- A. **Establish Shared Savings:** Establish a Medicaid shared savings model for behavioral health services for children and adults, fostering improved care coordination and achieving state savings.
- B. **Achieve Equitable Medicaid Reimbursement:** Raise reimbursement rates for behavioral health services to levels comparable to Medicare. Ensure that reimbursement for hospital-based outpatient clinics is comparable to that for community-based clinics.
- C. **Expand the Behavioral Health Home Model:** Allow hospitals, federally qualified healthcare centers, and other safety net organizations to implement behavioral health homes.

### 2. Improve Access to State Resources by Requiring Transparent Health Outcomes and Quality Measures.

Increase transparency when accessing state funded or operated services/providers, and establish measures for meeting evidence-based standards and improving health outcomes.

### 3. Support Community Care Teams and Related Care Coordination Services.

Fund community care efforts in hospitals to enhance patient screening, ensure timely release of information, establish patient-centered community case management plans, and engage patients in housing and social wraparound support services. Funding options may include grant support based on ED volumes, case rates for identified high-risk utilizers, and similar support for community care team clinicians, administrators, navigators, and/or intensive case managers.

### 4. Assess and Accommodate Short- and Long-term Bed Needs.

It is difficult to discharge patients no longer in need of hospitalization to the appropriate level of care, and to admit people who need acute inpatient psychiatric care, due to insufficient numbers of acute, intermediate length-of-stay, and long-term inpatient units.

- A. **Expand Availability of Intermediate Stay Inpatient Beds:** Expand beds in each region of the state to address the need for inpatient care for intermediate stays.
- B. **Increase the Number of Long-term Beds for Behavioral Health Patients:** Assess inpatient bed capacity for children and adults with longer-term, serious, and persistent behavioral health disorders.
- C. **Determine Short- and Long-term Bed Needs:** Study and recommend the number and type of short- and longer-term inpatient beds needed, whether they should be operated by the public or private sector, and how they will be funded.

### 5. Develop Crisis Stabilization and Emergency Services for Children in Consultation With Hospitals.

Support plans to improve Emergency Mobile Psychiatric Services (EMPS) including minimum criteria for facilitating effective diversions and achieving appropriate placements for children in crisis, increase crisis stabilization resources for DCF and non-DCF children, and implement a psychiatric assessment center.

### 6. Reduce Inappropriate Opioid Use.

Support a comprehensive statewide strategy featuring multi-sector collaboration among physicians, hospitals, and the state by expanding availability of opioid antagonists, enhancing prescription monitoring to assist prescribers, increasing prescriber education, and supporting evidence-based prevention programming to reduce the misuse and abuse of opioids and other prescription drugs in Connecticut.