



December 19, 2024

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The Honorable Wes Moore  
Governor  
100 State Circle  
Annapolis, MD 21401

Dear Governor Moore:

The Community Behavioral Health Association of Maryland (CBH) is the leading voice for community-based providers serving the mental health and addiction needs of vulnerable Marylanders. Our 87 members serve the majority of the 325,000 Maryland residents accessing care through the public behavioral health system. CBH members provide outpatient and residential treatment for mental health and addiction-related disorders, day programs, case management, Assertive Community Treatment (ACT), employment supports, crisis intervention, and a full continuum of care for children in foster care.

As you develop your FY2026 budget for Maryland, the Community Behavioral Health Association urges you to ensure that your FY2026 budget for Maryland adopts behavioral health funding and policies that preserve access and prioritize quality incentives, as outlined in greater detail below.

We understand the budget crisis Maryland is facing and that difficult decisions must be made. However, underfunding Maryland’s already inadequate behavioral health services will only shift costs onto schools, hospitals and the criminal justice system.

The Maryland Health Care Commission (MHCC) recently released “Investing in Maryland’s Behavioral Health Talent,”<sup>1</sup> an assessment of the state’s mental health and addiction treatment workforce. The report indicates that Maryland has half of the behavioral health workforce required to meet current need. Simply put, without adequate staffing, services are not available when and where they are needed. This results in people with mental health and substance use disorders seeking treatment in more expensive levels of care such as emergency room, inpatient hospitalization, and incarceration.

The top recommendation from the MHCC’s behavioral health workforce assessment is to ensure that staff are adequately compensated. The report indicates that “[m]ore than half of paraprofessionals and many early career social workers and counselors do not make a living wage for a single adult in Maryland.

December 19, 2024



After adjusting for cost of living, median salaries are lower than neighboring states in key occupations.”<sup>2</sup>

Adequate staff compensation flows from adequate provider reimbursement, and the MHCC’s workforce assessment is not the first time that the MHCC has called on Maryland to improve community behavioral health funding. In 2021, the MHCC noted, ““To establish and maintain an effective delivery system for mental health services in Maryland, **funding for community-based services must be increased**. The availability of community-based services can reduce the need for intensive inpatient acute psychiatric care and improve the quality of life for many Maryland residents.”<sup>3</sup> The MHCC’s call for improved behavioral health funding was echoed earlier this year by a legislative work group, whose highest priority recommendation was for Maryland “to create a **sustainable funding pathway for specialized behavioral health services** for individuals with serious mental illness.”<sup>4</sup>

**Recommendation 1: Include an overall 3.5% inflationary increase for the community behavioral health budget.**

We request that the FY2026 budget provide a cost-of-living increase to adjust to annual inflation based on the U.S. Bureau of Labor Statistics Consumer Price Index published on August 29, 2024. The data shows an annual CPI increase of 3% for the Baltimore metropolitan area and a 3.7% increase for the Washington DC area. As a result, we request a statewide 3.5% inflationary increase for the FY26 budget.

**Recommendation 2: In lieu of program-level rate cuts, implement quality strategies including measurement-based care and value-based purchasing to improve behavioral health outcomes.**

Over the last decade, state analysts have documented the collapse in oversight of Maryland’s public behavioral health system at the state and ASO level.<sup>5</sup> A decade of failed oversight has coincided with an influx of new providers into the system, as well as federal concerns about the adequacy of Maryland’s oversight.

Against this backdrop, CBH is concerned that any cuts to behavioral health rates, particularly rates for services impacted by the federal PERM audit like PRP and IOP, will have a cascading effect on the entire system’s sustainability. Rather than across-the-board cuts aimed toward entire programs, CBH strongly urges the Department to embrace targeted approaches to compliance and quality management in order to ensure that vulnerable individuals do not lose access to care.

CBH has offered several quality strategies to the Department, including:

- “Gold card” authorization policies that reward providers with demonstrated results;
- Coverage of measurement-based care (CPT Code 96127) in the ASO to support measurement of patient outcomes in behavioral health as already allowed in primary care settings;
- Migration of mobile treatment services (MTS) entirely into the Assertive Community Treatment (ACT) evidence-based model;
- Incentives for EMR connection and demonstrated utilization of CRISP; and
- Value-based purchasing approaches.

December 19, 2024



Any one of the strategies outlined above offers an opportunity for the state to advance an approach to quality management without threatening access to care through across-the-board rate cuts. We would welcome the opportunity to support the Department in implementation of a quality strategy based on any of the above suggestions.

**Recommendation 3: Fully fund child welfare rate reform.**

The Department of Human Services is advancing significant system redesigns in child welfare services, including rate reform designed to support more clinically intensive and appropriate services for youth in foster care. Successful redesign will alleviate hospital pressures arising from youth overstays but, more importantly, with support youth through a stronger continuum of clinically appropriate services. These reforms are long overdue, and we owe it to Maryland children to ensure that they are fully funded. We ask for your continued support for full funding of child welfare rate reform.

**Recommendation 4: Down payment on future.**

Finally, the MHCC's "Investing in Maryland's Behavioral Health Talent" needs assessment identifies the investments needed today to alleviate the worsening behavioral health workforce shortage. Today, Maryland has half the workforce needed – and 45% of existing workers are expected to leave the field within five years.<sup>6</sup> Maryland will need an estimated 30,000 new behavioral health workers by 2028 to meet anticipated need. The MHCC report provides a comprehensive strategy to address this workforce shortage, and we request that you invest in the behavioral health workforce by allocating an initial downpayment of \$14 million to the Behavioral Health Workforce Investment Fund to support paid education, training and job quality initiatives.

Thank you for considering these requests, and we welcome an opportunity to discuss them further with you. Please contact me via email at [Shannon@mdcbh.org](mailto:Shannon@mdcbh.org) or by phone at (202) 302-8397.

Sincerely,

Shannon Hall  
Executive Director

cc: Laura Herrera Scott, Secretary, Maryland Department of Health  
Rafael Lopez, Secretary, Maryland Department of Human Services  
Carol Beatty, Secretary, Maryland Department of Disabilities  
Helene Grady, Secretary, Maryland Department of Budget and Management  
Alyssa Lord, Deputy Secretary for Behavioral Health

December 19, 2024



Eric Luedtke, Senior Policy Advisor  
Jeremy Baker, Chief Legislator Officer  
June Chung, Deputy Legislative Officer

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<sup>1</sup> Maryland Health Care Commission, "[Investing in Maryland's Behavioral Health Talent](#)" (Oct. 2024).

<sup>2</sup> *Id.* at p. 5.

<sup>3</sup> Maryland Health Care Commission, "[State Health Plan for Facilities and Services: Acute Psychiatric Services](#)" (2021).

<sup>4</sup> Maryland General Assembly, "[Hospital Through-Put Work Group Final Report](#)" (2024)

<sup>5</sup> Office of Legislative Audits, "Maryland Department of Health – Medical Care Programs Administration – Administrative Service Organization for Behavioral Health," at p. 8 (Jan. 13, 2020); Department of Legislative Services, "[Behavioral Health Administration FY2021 Operating Budget Analysis](#)," p. 25 (March 2, 2020).

<sup>6</sup> Maryland Health Care Commission, "[Investing in Maryland's Behavioral Health Talent](#)," at p. 3 (Oct. 2024).