Maryland has begun to lift restrictions related to the COVID-19 public health emergency and its behavioral health system is bracing for the subsequent emergency: addressing the economic and emotional aftershocks of the crisis. Every one-percentage point increase in unemployment yields a 3.5 percent increase in opioid addiction\(^1\) and a 1 percent increase in suicides,\(^2\) both of which were increasing at an alarming rate prior to the COVID emergency.

Maryland behavioral health providers are witnessing firsthand these and other detrimental effects on those they currently serve, and they are preparing to weather an inevitable increase in demand for behavioral health services with vastly inadequate resources—a result of both the chronic underfunding of the Maryland public behavioral health system as well as the severe overextension of resources required to respond to the COVID crisis.

In mid-May, Community Behavioral Health Association (CBH) and the Maryland Association for Behavioral Health Authorities (MABHA) collaborated on a survey designed to capture the financial impact of COVID on providers. The results indicate a sustained reduction in capacity and an immediate need to act to stabilize the safety net behavioral health system.

**Capacity:**

- Billable encounters REMAIN down on average 14% as compared with the pre-COVID months of January and February. Encounters remain down across all service lines, but residential programs which have reduced their bed capacity in order to respond to quarantine measures have sustained the sharpest decline.
- Nearly 40% of providers have suspended or limited admissions to their programs in order to ensure the health and safety of their staff and current clients and 16% have closed entire programs
- More than 1 in 5 have laid off or furloughed staff.
- More than 1/3 have had confirmed or suspected COVID in patients and nearly 1/3 have had confirmed or suspected COVID in staff.
- Nearly half are regularly providing non-billable services such as texting to clients and many have purchased food, phones, PPE and healthcare supplies for those they serve.

**Immediate finances:**

- The median cost of providers’ initial COVID response was more than $25,000 and these costs continue to accrue due to the cost of telehealth infrastructure, increased cleaning frequency, cost of PPE and additional healthcare supplies, delivery of meals and other supplies to clients in their homes, the securing of quarantine-compliant housing and hazard pay for staff.
- Only 35% of providers have been able to secure any supplemental funding to alleviate the financial burden of responding to the COVID crisis, and many of those that have accessed funding received only negligible allocations based on their Medicare revenue. Maryland public behavioral health providers rely almost solely on Medicaid, and neither the federal nor state government have provided any direct relief to them.
Estimated payments from the botched ASO transition have insulated providers from any immediate reduction in revenue. However, the estimated payments were based on 2019 activity. The reduction in patient encounters in March, April and likely May of this year will ultimately lead to a reconciliation that will significantly reduce provider revenue on top of the continued costs associated with responding to the ongoing health emergency.

Due to providers' limited existing resources, a reduction in revenue will lead immediately to more layoffs and program closures – and a collapse in behavioral health provider capacity. It is imperative that the entire advocacy community collectively urge the Department to take steps now to ensure the immediate and long-term viability of community behavioral health providers by 1) ensuring any Medicaid funding from the federal government be directed toward community behavioral health providers, 2) in the absence, delay or inadequacy of federal funding, implementing retainer payments (payments divorced from encounters to cover the reductions caused by COVID-19) retroactive to the declaration of the COVID state of emergency in Maryland and extending throughout its duration.

1 Hollingsworth et al, National Bureau of Economic Research, “Macroeconomic Conditions and Opioid Abuse” (March 2017)
2 McIntyre, Roger S. & Lee, Yena, World Psychiatry, “Preventing Suicide in the Context of the COVID-19 Pandemic” (June 2020)
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