

June 18, 2020

The Honorable Eric D. Hargan
Deputy Secretary
United States Department of Health and Human Services
Hubert Humphrey Bldg.
200 Independence Ave, SW
Washington, D.C. 20201

RE: Specific Mental Health and Substance Use Health Care Provider Fund Distribution

Dear Deputy Secretary Hargan:

The undersigned mental health and substance use provider and patient advocacy organizations are writing to request a specific behavioral health distribution from the Health Care Provider Fund – authorized in the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

We appreciate the efforts to establish a system to provide emergency relief funds to the hundreds of thousands of providers across the country effected by the unprecedented impact of the COVID-19 pandemic. We understand the difficulty associated with such a large-scale distribution, coupled with the complexity of multiple payers. Despite the best efforts of providers to engage appropriately and efficiently with the HHS distribution streams and associated portals, a number of providers are now regulatorily prohibited from receiving desperately needed relief funds. The reasoning behind the difficulty in provider engagement is simple – confusion.

Given that Medicare represents only 5-7% of annual revenue for behavioral health providers, many providers believed that their financial viability was better served should they wait for the Medicaid Targeted Distribution. They proceeded in what was believed to be the best interest of their practices, unaware that they would be prohibited from receiving funds from the Medicaid Targeting Distribution. Compounding the extremely dire situation was the recent update to the CARES Act Provider Relief Fund FAQs, made on June 9, 2020 after the General Distribution Portal had closed on June 3, which determined that providers who had previously rejected a General Distribution payment were thereby ineligible for the Medicaid Targeting Distribution. This has left behavioral health providers in peril.

Mental Health & Substance Use Providers Confronting Financial Crisis

The National Governors Association (NGA) recently noted in a letter to Congress that mental health and substance use providers face “collapse” without emergency Medicaid financing. Absent immediate support from the federal government, it is likely the nation’s behavioral health safety-net will fail.

In March, a nationwide field survey highlighted the impact of the COVID-19 pandemic and the immediate financial crisis resulting therefrom that is threatening the backbone of the mental health and addiction treatment system in the United States. The survey demonstrated that 30% of community behavioral health organizations have turned away patients. Alarming, 62.1% of behavioral health centers project that they will only survive financially for three (3) months or less under the current COVID-19 conditions, with six in 10 clinics stating that they have closed clinics or initiated mass staff layoffs.

Three months later, a June follow up survey revealed nearly half (46%) of the organizations remaining believe they can only survive six months or less in the current financial environment. Additionally, nearly a quarter of the organizations (22%) have not received any relief funding and another quarter (23%) have received less than \$25,000 in total from the April distribution of \$30 billion to providers based on their 2019 Medicare fee-for-service reimbursements.

Proposal: Behavioral Health Care Provider Distribution

Medicaid is the single largest payor for mental health care and substance use in America. On average, well over 50% of persons with severe mental illnesses and substance use/Opioid Use Disorder served are Medicaid eligible patients located in health professional shortage areas, low income communities and communities of color. As a result, we are joining together to request your support for an additional distribution of funds through the Health Care Provider Distribution portal to allow behavioral health providers to submit their complete financial information in order to receive at least 2% of 2018 net patient revenue. We also request an ongoing dialogue with you and your team to determine if additional federal financial support for the behavioral health community is possible. Given our thin operating margins and the gravity of the financial circumstances confronting us, we welcome more conversation on this specific implementation detail.

In closing, the undersigned organizations agree that COVID-19 will trigger an enormous wave of behavioral health challenges, including an increased prevalence of clinical depression, a spike in drug overdoses and the possibility of even higher suicide rates – as recently documented by the Well Being Trust. Immediate federal financial support ensures our providers will survive to meet this emerging need.

Thank for your attention to this important matter.

Sincerely,

American Academy of Addiction Psychiatry
American Art Therapy Association
American Association for Marriage and Family Therapy
American Psychological Association
American Psychiatric Association
American Society of Addiction Medicine
Anxiety and Depression Association of America
Association for Behavioral Health and Wellness
Clubhouse International
Depression and Bipolar Support Alliance
Family Focused Treatment Association
FREDLA
Health in Justice Action Lab
International Bipolar Foundation
Massachusetts Association for Mental Health
Meadows Mental Health Policy Institute
Mental Health America
National Alliance on Mental Illness
National Association for Behavioral Healthcare
National Association for Rural Mental Health
National Council for Behavioral Health
Shatterproof
Steinberg Institute
The Kennedy Forum
Treatment Advocacy Center
Vibrant Emotional Health
Well Being Trust

CC: Dr. Elinore McCance-Katz, Assistant Secretary for Mental Health and Substance Use