



April 1, 2025

The Honorable Representative Susan Donovan
Chairwoman of the House Health and Human Services Committee
82 Smith Street
Providence, RI 02903

Re: Support for House Bill # 5863 - Commercial Reimbursement Rates for Behavioral Healthcare

Dear Chairwoman Donovan and Members of the Committee:

Thank you for the opportunity to express the Mental Health Association of Rhode Island's support for House Bill 5863, related to parity in mental and behavioral health provider reimbursement rates. The bill requires commercial health insurers to increase rates for outpatient diagnostic and therapeutic services by a **one-time** inflationary adjustment of the Consumer Price Index (Urban) plus 5%. We thank Representative Tanzi for introducing this legislation on behalf of the Mental Health Association of Rhode Island and a diverse coalition of stakeholders.

The 2024 Rhode Island Health Information Survey, which is conducted on behalf of the Rhode Island Office of Health and Human Services, reports that Rhode Islanders' use of mental health services increased by 2% in 2024 compared to its last report in 2022. Instances of "delayed care or care not received due to provider availability" also increased by 5% from 2022 to 2024. Additionally, "instances of unaffordability of needed mental healthcare increased from 2.1% in 2022 to 3.2% in 2024, making it the largest increase since the survey began."

Data is important, but we must not forget the faces behind the numbers. The Rhode Islanders who are unable to obtain needed services – life-saving services – are our mothers, fathers, children, friends, and neighbors. Rhode Island still has waitlists, though the extent of the problem cannot be quantified because waitlists data is not universally collected. Waitlists are caused, in part, by staffing shortages in health and human services. Staffing shortages are caused by multiple factors. One significant and correctible factor is stagnant and low commercial insurance reimbursement rates, which make it difficult for providers to keep up with the rising costs of keeping their practices or facilities open. As a result, providers move their practices out of state, switch jobs frequently, or stop participating in insurance networks. Some have permanently closed their doors.

A shrinking pool of covered providers causes children and adults needing mental and behavioral health services to languish on waitlists for weeks and even months. As they wait for care, conditions worsen sometimes to the point of a crisis. The covid pandemic shined a light on the cracks in Rhode Island's mental and behavioral health system, which was ill prepared to meet the demands of the emergency. Many Rhode Islanders spent hours waiting in an emergency department for mental health crises, only to be sent home because there were no available beds. Some who were hospitalized were prematurely discharged, so their beds could be given to the

next person on the waitlist. Others, who were ready to go home, were delayed in the hospital due to a lack of available outpatient services for safe discharge. And, while those ready to go home were forced to remain, those in desperate need of acute hospital care could not get an available bed, putting their lives at risk.

Inadequate networks of covered mental health providers have created this vicious cycle. Yet still, commercial insurers continue to pay mental health professionals substandard rates, and providers have gone years without meaningful rate increases. While the pandemic increased the demand for services and contributed to provider burnout, workforce shortages existed years before it. In 2018, I sought help for clinical depression and was placed on waitlists for two therapists. One therapist bumped me to the top of her list given my history. I started seeing her after waiting a month. The second therapist, who I did not see, had availability to see me three months later.

This bill, if passed, would not cost the state money. It does not affect Medicaid or MCO rates. Equally important, there is no reason to believe it would drive up the cost of premiums. The cost of commercial insurance premiums is influenced by a number of factors, such as the utilization of outpatient services, inpatient facilities and emergency departments; the cost of prescription medications; hospitals' administrative costs; insurers' administrative costs; and more. It is unfair to single out providers – who want to be paid fairly – as the main cost driver in a complicated system.

Passing this legislation may, in fact, *reduce the cost of premiums*. Higher rates will help insurers attract and retain providers in their networks. A robust provider network will increase access to timely outpatient mental and behavioral health services. Early intervention improves patient outcomes and saves money in the long term. When patients access treatment in a timely fashion, their conditions stabilize or improve, thus decreasing the utilization of restrictive and expensive emergency departments, inpatient hospitals, and residential treatment centers. This, in turn, reduces insurers' costs, and that reduction in their costs should be reflected in lower premiums.

If this Committee wishes to narrow the scope of this bill or compromise with insurers, we would support an amendment to adjust the **rates of the top 8 most commonly used claim codes in behavioral healthcare**.

Thank you for your consideration. Please feel free to contact me if you have any questions.

Respectfully,



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