COST/LOSS Outpatient Session

Children's Mental Health Three Agencies Across CT There are inadequate Medicaid reimbursement rates for children's behavioral health services.

The recent Phase 1 Medicaid rate study showed Connecticut's Medicaid rates for behavioral health <u>were on average 62% of those in</u> <u>comparable states</u>, and a recent report showed that inflation has outpaced Connecticut's Medicaid rate for a common type of therapy session by approximately 25% over the past decade.

The rate study estimates this would cost an **additional \$42.4M** (presumably in 2023 dollars), which is the equivalent of approximately \$45.5M in 2025. Medicaid and private insurance fee for service reimbursement rates do not come close to covering the actual cost of delivering behavioral health services.

While alternative payment models (e.g. CCBHC) are promising, it is unclear when or how they will be implemented, and in the meantime the system continues to struggle.

Clinic A

Medicaid Rate – Outpatient cost



Clinic A

Medicaid Rate – Outpatient cost with DCF off-set



Annual Loss Outpatient Clinic A Medicaid Rates*



Clinic B

Medicaid Rates*



Clinic C Medicaid Rates* Non-ECC

Behavioral Health Services Fiscal Year 2023 - 2024

Clinical Services Medical Services \$250 Funding GAP \$250 \$240 \$240 \$24.62 \$230 \$230 \$220 \$220 \$210 \$210 \$200 \$200 \$190 \$190 Grant & Pvt. \$180 \$180 Fundraising \$170 Funding GAP \$170 average \$160 \$111.74 per visit \$73.02 \$160 \$150 \$150 \$140 \$140 \$130 \$241.37 Grant & Pvt. \$130 \$120 \$120 Fundraising \$110 \$110\$19.12 per visit \$195.12 \$100 \$100 \$90 \$90 \$80 Medicaid Reimb. \$80 \$70 Medicaid Reimb. average \$70 \$60 \$60 \$102.98 per visit average \$50 \$50 \$105.01 per visit \$40 \$40 \$30 \$30 \$20 \$20 \$10 \$10Revenue Cost Revenue Cost Per Visit Per Visit Per Visit Per Visit Clinical Services Medical Services Funding Gap per Visit = \$24.62 Funding Gap per Visit = \$73.02 15,025 Visits x \$24.62 = 2,731 Visits x \$73.02 = \$369,915 funding shortfall \$199,418 funding shortfall