



To: House Corporations Committee  
From: Karen Malcolm, Protect Our Healthcare Coalition, [ProtectRIHealth@gmail.com](mailto:ProtectRIHealth@gmail.com)  
Date: April 11, 2023  
Re: **SUPPORT H7716 – Improve patient access to behavioral health services by addressing disparities in commercial reimbursement rates**

The Protect Our HealthCare Coalition is a group of leading Rhode Island non-profits and consumer groups with a goal to protect and promote comprehensive, quality, affordable healthcare for all. The Coalition **supports House Bill 7716** and thanks Representative Tanzi for her work on this important legislation.

In a focus group of patients hosted by the Mental Health Association’s RI Parity Initiative, one patient queried, “... *when [someone is] discharged from a hospital with a mental health [disorder], where do [they] go?*”<sup>1</sup> This question highlights one of the greatest inequities that those struggling with mental health or substance use disorders face in Rhode Island: the inadequate network of outpatient providers in our state who are available and who accept insurance coverage. One of the key underlying reasons for our anemic network is the low reimbursement rates paid to providers combined with high administrative burden.

**What the data reveals on reimbursement rates:** A recent U.S. Government Accountability Office (GAO) report revealed that mental health organizations cited inadequate reimbursement rates for services as one of the main reasons individuals cannot access mental health care, even when they have insurance<sup>2</sup>. In other words, there is not much of an incentive for providers to take insurance if they aren’t guaranteed adequate payment. As noted in a Milliman Research Group 2019 evaluation, Rhode Island’s mental health professionals received 23.4% less than other specialists for the evaluation and management of similar conditions.<sup>3</sup> The Congressional Budget Office reached similar conclusions of unfair reimbursement rates in insurance plans, finding that commercial and Medicare Advantage plans paid on average 13-14% less than Medicare’s allowable fee-for-service rates for mental health care.<sup>4</sup> At the same time, patients went out of network more frequently for mental health care and paid higher cost-sharing as a result.

#### **The impact on Rhode Islanders’ access to care:**

- In the fall of 2021, 37.3% of adults in Rhode Island reported symptoms of anxiety and/or depressive disorder, of those, 23.4% reported unmet need in accessing counseling or therapy.<sup>5</sup> ([Kaiser Family Foundation](#))
- An estimated 33% of children ages three to 17 who needed mental health treatment or counseling had a problem obtaining needed care.<sup>6</sup> ([RI Kids Count](#))

<sup>1</sup> <https://riparity.org/wp-content/uploads/2019/05/FINAL-RI-Parity-Focus-Group-Report-Experiences-of-patients-and-professionals.pdf>

<sup>2</sup> <https://www.gao.gov/products/gao-22-104597>

<sup>3</sup> <https://www.milliman.com/en/insight/Addiction-and-mental-health-vs-physical-health-Widening-disparities-in-network-use-and-p>

<sup>4</sup> <https://www.healthaffairs.org/doi/epdf/10.1377/hlthaff.2018.05226>

<sup>5</sup> <https://www.kff.org/statedata/mental-health-and-substance-use-state-fact-sheets/rhode-island/>

<sup>6</sup> <https://www.rikidscount.org/Portals/0/Uploads/Documents/Factbook%202022/Health%20section.pdf?ver=2022-05-12-085931-397> (Pg 58)

**Improving reimbursement rates is crucially important to keep professionals in practice now and contributes to the longer-term goal of rebuilding a robust network of mental health professionals in Rhode Island.**

Representative Tanzi's legislation would require commercial health insurers to increase rates for out-patient services based on the Consumer Price Index (all Urban) plus 5%.

**This legislation cannot wait;** Rhode Island adults and children who desperately need help and are legally entitled to it under federal and state mental health parity laws continue to languish without adequate care.

We urge the Committee's support.

Thank you.

***Protect Our Healthcare Coalition partners and allies include:*** Economic Progress Institute, Mental Health Association RI, RI NOW, RIPIN, RI Health Center Association, United Way of Rhode Island, Planned Parenthood of Southern New England, RI Interfaith Coalition to Reduce Poverty, SEIU Rhode Island Council, Rhode Island Coalition for Children and Families, Womxn Project, HousingWorks RI, RI Organizing Project (RIOP), National Association of Social Workers RI Chapter, Thundermist Health Center, Foster Forward, RI Medical Society, RI Coalition for the Homeless, Rhode Island Working Families Party, Mental Health Recovery Coalition, Oasis Wellness & Recovery Center, RI Community Food Bank, RI Psychological Association, Advocates for Better Care

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