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February 28, 2025

The Honorable Aaron Michlewitz
Chair, House Committee on Ways and Means
24 Beacon Street, Room 243
Boston, MA 02133

The Honorable Michael Rodrigues
Chair, Senate Committee on Ways and Means
24 Beacon Street, Room 212
Boston, MA 02133

Re: Behavioral Health Priorities in the FY26 State Budget

Dear Chair Michlewitz, Chair Rodrigues, and Honorable Members of the Joint Committee on Ways and Means:

On behalf of the Massachusetts Association for Mental Health (MAMH), thank you for your strong commitment to the health and well being of people with behavioral health conditions and their families. Under your leadership, the Commonwealth has made historic progress in advancing reforms that further access to timely, high quality, and culturally responsive mental health and substance use services. Examples include the passage of the mental health omnibus law (Chapter 177 of the Acts of 2022) and the substance use omnibus law (Chapter 285 of the Acts of 2024), numerous state budget investments over recent years, and the ongoing implementation of the Roadmap for Behavioral Health Reform.

We write now out of deep concern as the Healey-Driscoll Administration's FY26 state budget proposal (H1) would severely eradicate these gains. It includes roughly $83M in reductions to Department of Mental Health (DMH) operated and contracted services, as well as $19M in reductions to the Bureau of Substance Addiction Services (BSAS) programs. The Commonwealth has not experienced this level of cuts to mental health and substance use since the global economic downturn during the Patrick Administration, and it took years to rebuild and recover our service delivery system. Not only would the proposed cuts in FY26 H1 be devastating to the individuals and families that now need – or will need – DMH and BSAS community-based services in the coming years, but they are fiscally irresponsible. Community-based behavioral health placements are far more economical than emergency department visits, hospitalization, homelessness, and criminal legal involvement.

MAMH understands that Massachusetts is facing fiscal challenges, but balancing the budget at the expense of people with the most severe and disabling behavioral health conditions is not an expression of our values as a Commonwealth. Likewise, the need persists; the most recent data from the Department of Public Health (DPH) indicate that nearly one in two youth, and nearly one in three adults in Massachusetts report high or very high psychological distress.[i] The time to build on the Legislature's progress of recent years and prioritize mental health is clearly now.

Thank you for your consideration of the budget priorities listed below. MAMH is available at any time to serve as a resource to the Committee on its incredibly critical and timely work.

MAMH BUDGET PRIORITIES – IN SUMMARY

Mental Health Services

- **$739,820,438 for 5046-0000 (DMH Adult Mental Health and Support Services), a $61.54M increase over H1**
  - Restore cuts = $9M for Adult Respite + $19M for Adult Community Clinical Services (ACCS) + $14.2M Jail Diversion Program + $10.54M Case Management ($12.4M total x 85% adult case workers) + $8.8M Pocasset = $61.54M
  - Maintain earmark in H1 that $19M "may be expended for the department's emergency room diversion initiative to stabilize adults in crisis"

- **$138,646,477 for 5042-5000 (DMH Child & Adolescent Mental Health Services), a $23.56M increase over H1**
  - Restore cuts = $15M IRTP/CIRT + $1.5M PACT-Youth + $5.2M Flex + $1.86M Case Management ($12.4M total x 15% youth case workers) = $23.56M
  - Maintain earmark in H1 that $6M "may be expended for the department's emergency room diversion initiative to stabilize youth in crisis"

- **$2,973,357 for 9110-1640 (Geriatric Mental Health Services Program), a $500K increase over H1 to expand the Behavioral Health Outreach for Aging Populations (BHOAP) program**

Housing with Supportive Services

- **$41.048M total funding for the DMH Rental Subsidy Program, a $5M increase over the FY25 GAA**
  - $21.548M in HLC 7004-9033 + $19.5M in DMH 5046-0000 and DMH 5047-0001 = $41.048M

- **$29.710M for 5046-2000 (DMH Statewide Homelessness Support Services) to annualize the three new Safe Havens created in FY25 (this is included in H1)**

Substance Use Services

- **$196,992,798 for 4512-0200 (Bureau of Substance Addiction Services), a $18.9M increase over H1**

Criminal Legal Reform

- **Adequate funding for the Middlesex County Restoration Center (EOHHS 4000-0300: EOHHS and Medicaid Administration)**

MAMH BUDGET PRIORITIES – IN DETAIL

Mental Health Services - Adults

- **Restore $9M cut for DMH Adult Respite expansion** (DMH 5046-0000: Adult Mental Health and Support Services) – In recent years, DMH has expanded its Adult Respite program to address the Emergency Department (ED) boarding crisis in the Commonwealth. Mobile respite teams go to

EDs to meet with individuals who are boarding, conduct assessments, and arrange for safe discharges. Many individuals then transition to site-based respite care bed settings, where they receive intervention and support to remain clinically stable (everything from medication management to peer support), as well as care coordination, skill building, and family engagement. Respite is generally a short term service, on average two to four months, and serves as very critical bridge service so that individuals may successfully transfer to longer-term placements in community.

The DMH Adult Respite program has played a significant role in helping to address the boarding crisis. As of February 18, 2025, there were 162 adult patients boarding in EDs and medical-surgical units across the Commonwealth; this is down from 460 adults boarding on February 14, 2022.[ii] The DMH Adult Respite program is also *at capacity*. The $9M cut would put a halt to much needed and planned expansions in the Northeast and Southeast parts of the state. The Commonwealth has come so far in addressing the ED boarding crisis, yet we still have some ways to go. The $9M cut would erode progress and lead to costly and unnecessary ED stays.

- **Restore $19M cut to Adult Community Clinical Services (ACCS) expansion** (DMH 5046-0000: Adult Mental Health and Support Services) – DMH's Adult Community Clinical Services (ACCS) program is not only *at capacity*, but it cannot meet the current demand for services. Serving 75 percent of all adults receiving a DMH community-based service, ACCS is the cornerstone of DMH adult community-based care. ACCS provides comprehensive clinical interventions, peer and family support, vocational assistance, and housing support. These services help individuals with daily functioning, symptom stabilization, and self-management.

  The $19M cut would prevent DMH from expanding ACCS capacity in FY26 by 200 beds. This would put a tremendous strain on EDs, hospitals, and other institutions as more and more patients become discharge ready, but get "stuck" due to lack of supportive, community-based ACCS discharge placements. In fact, as of December 2024, there were 47 patients clinically ready for discharge from DMH inpatient facilities but waiting for community-based services.[iii] This cut is also fiscally harmful for the Commonwealth as services in inpatient settings generally cost 2.6 times more per patient than ACCS services in the community.[iv]

  Likewise, the Commonwealth must meet its obligations per the *Marsters v. Healey* Settlement Agreement, and transfer class members – including people with disabling mental health conditions – out of nursing facilities into the community. Two thousand four hundred total class members must be transferred over an eight-year period. Given the state's current fiscal constraints and legal requirements, cutting ACCS at this time would be irresponsible.

- **Restore $10.54M cut to DMH Adult Case Managers** (DMH 5046-0000: Adult Mental Health and Support Services) – The DMH Case Management program is *at capacity* and would cut the number of DMH adult case managers in half. Case managers assess individuals' needs, plan and monitor the DMH-funded services individuals receive, provide other referrals and care coordination, and offer family/caregiver support. They are one of the most critical members of the care team for people with severe and disabling mental health conditions. A cut of this magnitude would cause destabilization and chaos across the DMH community system.

  This $10.54M cut will also impact workforce diversity and the cultural responsiveness of DMH service delivery. In recent years, DMH has been even more intentional about hiring staff that reflect the diversity of individuals served across race/ethnicity, language, and culture. Recently hired case managers will have fewer protections and will be more likely to lose their jobs.

- **Restore $14.2M cut to DMH Jail Diversion Program** (DMH 5046-0000: Adult Mental Health and Support Services) – Through the Massachusetts Jail/Arrest Diversion Initiative, DMH provides grants to local communities' police departments and behavioral health providers to improve outcomes for individuals with behavioral health conditions when they encounter police and other first responders. In FY23, the program diverted 2,327 people in crisis from arrest and 3,659 people in crisis from EDs, for an estimated cost savings of nearly $28M (considering savings by avoiding arrest, incarceration, and ED stays). In FY25, DMH distributed grants to 117 municipalities and behavioral health providers across the state. Local police departments are enthusiastic grantees and are direct about their interest in maintaining and growing partnerships with community behavioral health providers. The full, annualized value of the DMH Jail/Arrest Diversion Initiative for FY26 is $18M, yet there is only $3.8M in H1 for these grants. Restoring $14.2M will make up the difference and ensure local communities' police departments and community providers can continue to provide these crucial services.

Mental Health Services – Children, Youth, and Families

MAMH is an executive member of the Children's Mental Health Campaign. MAMH fully supports the letter that the Campaign will be submitting to the Joint Committee on Ways and Means. Below are some highlights that impact children, youth, and families.

- **Restore $5.2M cut to Flexible Services and Supports, and $1.5M cut to PACT-Y** (DMH 5042-5000: Child and Adolescent Mental Health Services) - Flexible Supports through DMH include ED diversion, clinical and therapeutic services, young adult peer mentoring, and parent/caregiver peer support. The proposed $5.2M cut would reduce the availability of community-based programs that help keep children out of the most restrictive settings and help to significantly reduce the number of children boarding in EDs.

  The proposed $1.5M cut to the Program for Assertive Community Treatment-Youth (PACT-Y) would reduce the availability of this team-based intensive home and community-based service. While this program is new, "early indications show success with youth discharged resulting in positive outcomes 90% of the time and positive feedback from families."[v]

- **Restore $15M cut to Intensive Residential Treatment Programs (IRTPs) and Clinically Intensive Residential Treatment (CIRT)** (DMH 5042-5000: Child and Adolescent Mental Health Services) - The proposed $15M cut in H1 would result in a 50% reduction in beds for youth with the most significant behavioral health needs. If cuts are made to CIRT and IRTP beds, there must be consideration of the impact on special populations such as younger children and youth who identify as gender diverse, as limited capacity for these groups exist:
  - Clinically Intensive Residential Treatment (CIRT) provides clinically intensive residential intervention for children ages 6-12 in a staff-secure setting. Only one 12-bed program for this age group exists in the entire state.
  - Intensive Residential Treatment Programs (IRTPs) provide clinically intensive residential treatment intervention for adolescents ages 13-18 in a locked environment. There are only 75 beds total across the state. Only one of these units has the capacity to treat transgender and non-binary youth; it is also the only centrally located unit in the state.

- **Restore $1.86M cut to DMH Youth Case Managers** (DMH 5042-5000: Child and Adolescent Mental Health Services) - The proposed cut of $1.86M represents half of the child, youth, and family case management team. Children require more labor-intensive case management than adults due to the number of collateral providers they engage (e.g., schools, MA Department of Children and Families, etc.). With only 38 youth case managers, any staffing reductions will significantly diminish the support available for families.

Mental Health Services – Older Adults

- **$2,973,357 for 9110-1640 (Geriatric Mental Health Services Program), a $500K increase over H1 to expand Behavioral Health Outreach for Aging Populations (BHOAP)** – This funding supports the establishment of new Behavioral Health Outreach for Aging Populations (BHOAP) programs, moving the Commonwealth toward statewide availability for this service. BHOAP programs bring vital community-based behavioral health supports to older adults and reduce reliance on EDs and expensive congregate care settings such as nursing homes. They work with older adults in their own homes to address the broad range of needs associated with behavioral health issues, such as chronic diseases, social isolation, housing insecurity, and financial challenges. Currently, demand exceeds supply, but providers are available to deliver additional services if funding becomes available.

Housing with Supportive Services

MAMH supports funding that creates new housing for people with behavioral health conditions and provides such individuals with rental and other financial assistance for housing.

- **$41.048M, a $5M increase in funding over FY25 GAA for the Department of Mental Health Rental Subsidy Program (DMH RSP)** ($21.548M in EOHLC 7004-9033: Rental Subsidy Program for DMH Clients, $19.5M in DMH 5046-0000 and DMH 5047-0001) –
  This funding addresses the projected demand for rental subsidies in FY26 for DMH clients with disabling mental health conditions. The funding will help house the substantial number of people who, in the absence of affordable and supported community-based housing, are at high risk and end up stuck in EDs, hospital units, nursing homes, and group living environments, or are living on the streets. It is important to note the substantial growth in the number of single homeless adults in Massachusetts in the last year, among which is an increase in the number of these adults who meet the definition of chronic homelessness – continuously homeless for a year or longer, more than 90% of whom are living with behavioral health conditions.

  This program is a collaboration between the Executive Office of Housing and Livable Communities (EOHLC), which regulates and provides administrative oversight, and DMH, which selects Service Provider Agencies and allocates rental assistance subsidy funds. Through the RSP, individuals with severe and disabling mental health conditions receive stable, affordable housing. In these settings, residents access tenancy and clinical supports to help maintain their housing. These services are critical to achieving recovery.

  Moreover, the DMH RSP is not only critical for the individuals that are directly served by rental vouchers, but they are crucial in opening beds or placements at other levels of care in the system. Subsidies can also assist people who are homeless, as well as families with adult

members with severe and disabling mental health conditions who are living at home because they cannot find affordable, supported community placements. EOHLC is forecasting that the program will grow from 2,589 leased units by June 30, 2025 (projected) to 2,877 leased units by June 30, 2026 (projected). A $5M increase in this account will provide critical support to move more individuals into studio and one-bedroom apartments, where they can receive supportive services to maintain their tenure in the community.

- **$29.710M, a $3.1M increase in funding over FY25 GAA and level funding with FY26 H1 for the Safe Haven Program** (DMH 5046-2000: Statewide Homelessness Support Services) – This funding addresses the pressing demand for low-threshold, transitional housing for people who are chronically unhoused with severe and often co-occurring mental health and substance use conditions. The over $3M increase would help annualize funding for three new Safe Havens (26 beds) in Central Massachusetts, Northeast Massachusetts, and Western Massachusetts. In total there would be 18 Safe Haven programs with 167 beds to serve the entire Commonwealth.

  Safe Haven programs are supervised and supportive housing for hard-to-reach, hard-to-engage individuals. These individuals are among the highest users of EDs, hospital beds, and emergency medical services, and have high rates of trauma and criminal legal system involvement. The program provides individuals with transitional housing, connects them to behavioral health and medical services, and serves as a bridge to permanent housing. It is a proven model that saves and transforms lives and reduces healthcare and other public health costs.

Substance Use Services

- **$196,992,798 for the Bureau of Substance Addiction Services, a $18.9M increase over FY26 H1** (4512-0200: Bureau of Substance Addiction Services) - MAMH supports the budget priorities of the Massachusetts Coalition for Addiction Services (MCAS). Of particular concern is the cut of four low-threshold, temporary housing sites in Quincy, Boston, Leominster, and Springfield. These 116 beds are functioning as low-threshold shelters for some of the most vulnerable members of our communities. Given the lack of affordable housing in the Commonwealth, we cannot afford to eliminate any housing sites.

Criminal Legal Reform

- **Adequate funding for the Middlesex County Restoration Center** (EOHHS 4000-0300: EOHHS and Medicaid Administration) - The Middlesex County Restoration Center will expand community capacity for mental health and substance use treatment and supports, and ongoing law enforcement diversionary efforts across New England's most populous county. Law enforcement can bring people needing mental health and substance use treatment to the Center, diverting them from costly and traumatic stays in hospitals and jails. By expanding the Commonwealth's behavioral health urgent care capacity, the Center also advances a fundamental goal of the Roadmap for Behavioral Health Reform. Vinfen is operating this pilot, in anticipation of expansion across the state.

Thank you again for your strong track record of advancing behavioral health in the Commonwealth and for considering these critical FY26 budget priorities. If we can provide any additional information or

serve as a resource to your work, please do not hesitate to contact us at Jessica Larochelle, Director for Public Policy and Government Relations, at jessicalarochelle@mamh.org, and Kate Alicante, Senior Policy Research Associate, at katealicante@mamh.org.

Sincerely,

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cc: The Honorable Ronald Mariano, Speaker of the House
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[i] MA Department of Public Health. 2023 Community Health Equity Survey (CHES): Mental Health Report. August 2024. Available at: https://www.mass.gov/info-details/ches-2023-mental-health.
[ii] MA Health and Hospital Association. Capturing a Crisis: Weekly Behavioral Health Boarding Reports. 18 February 2025 and 14 February 2022. Available at: https://www.mhalink.org/bhboarding/.
[iii] MA Department of Mental Health. DMH Inpatient Discharge Readiness Report. 16 December 2024.
[iv] MA Department of Mental Health. DMH and Criminal Justice Reform: Costs and Savings Analysis. December 2024.
[v] MA Department of Mental Health. Program for Assertive Community Treatment for Youth (PACT-Y). April 2024. Available at: https://www.mass.gov/doc/2024-pact-y-annual-report/download