



**TESTIMONY BEFORE THE
MENTAL HEALTH AND SUBSTANCE ABUSE COMMITTEE
MAY 7, 2007**

My name is Eugene Fierman, M.D. I am President of the Massachusetts Psychiatric Society; in addition I am a practicing psychiatrist who treats patients with serious and often crippling mental illness. I am here today to support House Bill 1872 and Senate Bill 1133 sponsored by Representative Ruth Balser and Senator Steven Tolman, An Act Improving and Expanding Behavioral Health Services to Children in the Commonwealth.

Specifically I will speak to the sections of this bill that involve mental health carve outs . Some health care insurers' contract with mental health carve-out organizations (also called managed behavioral health organizations (MBHO) to provide direct care or administrative oversight to the delivery of mental health and substance abuse services to their members. For example, if you have your health insurance through the Group Insurance Commission's Indemnity Plan, your mental health & substance abuse benefit is managed by United Behavioral Health. Our patients are often unaware that their mental health and substance abuse services are provided by carve-outs rather than by their insurer. To our knowledge, mental health is the only medical specialty in which first line care is contracted to another, often for-profit, entity. In our experience, they are often national organizations which deliver a service model which has not adapted to the current local environment of care. Regulatory oversight of these entities by the Commonwealth is indirect via the oversight of the parent health care carrier or insurance company by the Division of Insurance, we are requesting that these carve outs be licensed directly by the state.

It is our view, that the current system is not adequate to serve the needs of the mentally ill citizens of the Commonwealth. There is often a lack of transparency concerning the identity of the entity delivering the service. The appeals process becomes even more complicated as patient must first appeal to the often unidentified carve-out and then must be aware that they can further appeal to their medical benefit insurer if there is no satisfactory resolution. Individuals, who are familiar with the required benefit authorization processes of their insurer, may be unaware that they are dealing with a totally different entity for mental health services. Often these individuals with local insurers may be unaware that they are dealing with national entities that are lacking in knowledge of local availability of services. These mental health carve-outs further exacerbate the integration of good clinical psychiatric care with general medical care as MBHO provider networks are often generated independently of the natural referral and physician communication patterns that exist locally.

We are advocating that mental health carve-outs be subject to the same regulatory oversight, in terms of transparency and in terms of data collection, as any other medical insurer licensed to do business in the Commonwealth. We believe that a consumer of mental health and substance abuse services who is more clearly aware of the system of care employed by their insurer will be in a better position to obtain their needed care and to obtain a full review when problems arise. If we trust these MBHO's to deliver the first line of mental health and substance abuse service, we believe that they should be regulated the same as any other medical entity that provides such service. The ability of the Commonwealth to receive annual data directly from MBHO's will make data collection easier and more readily available to you as legislators, to state regulators and most importantly to the public.

Thank you for your time, thank for sponsoring these bills and we stand ready to assist in their passage.