

## Saving Children's Behavioral Health Services: The Essential Role of Medicaid Rates in Safeguarding the System

**Behavioral health needs among youth in Connecticut are rising.** Families seeking care regularly encounter long wait lists and delays in accessing services due to staffing shortages.

Connecticut's behavioral health system has been nationally recognized for its continuum of care and highly trained staff. However, high burnout, low salaries, and the resulting workforce challenges are eroding the system's infrastructure and reducing service access, especially for the most vulnerable.

The state's own analyses conducted per legislative mandate have found that Connecticut's Medicaid reimbursement rates for behavioral health are dramatically lower than both comparable states and rates of commercial insurers within Connecticut.

***Increasing Medicaid rates will help address workforce shortages and increase access to care.***

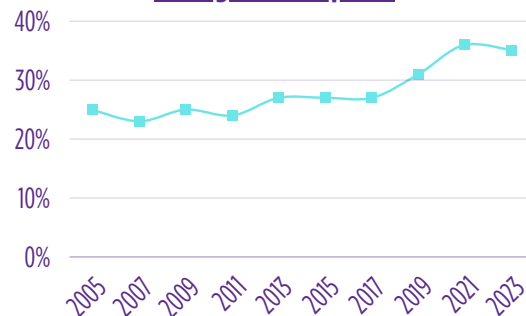
### Research on the Children's Behavioral Health Workforce in Connecticut

In 2024 the Child Health and Development Institute (CHDI) surveyed licensed behavioral health professionals in Connecticut (psychologists, professional counselors, social workers, marriage and family therapists, addiction counselors, and psychiatrists). Over 2,800 currently licensed professionals responded (of the 23,639 invited). The survey was designed to increase the state's understanding of providers' experiences working in Connecticut. Relevant to Medicaid reimbursement, the following questions were addressed in the analysis:

- (1) Does acceptance of public insurance (i.e., Medicaid) vary by setting?
- (2) How do children's needs differ as reported by providers accepting Medicaid compared to those only serving children with commercial insurance or paying out-of-pocket?
- (3) Are there differences in salaries or job satisfaction among the workforce serving children with Medicaid compared to the workforce serving children with commercial insurance or paying out-of-pocket?

The analysis compared responses from the workforce accepting Medicaid with the workforce accepting only commercial insurance or out-of-pocket payment. The findings highlighted the strong role that providers who accept Medicaid insurance offer in serving children and in particular children with high needs (professionals accepting Medicaid were more likely to serve children, more likely to work in a nonprofit clinic or hospital setting, and more likely to serve children who had more significant needs related to social and economic conditions and exposure to trauma). The findings also raised concerns regarding the impact of reimbursement rates on salaries, and in turn, recruitment and retention of providers in settings that accept Medicaid. Professionals accepting Medicaid were more likely to make less than \$75,000 than their those who did not, and scored higher on average on a measure of staff intention to leave their employer (Turnover Intention Scale).

### Connecticut High School Students Reporting Feeling Sad or Hopeless

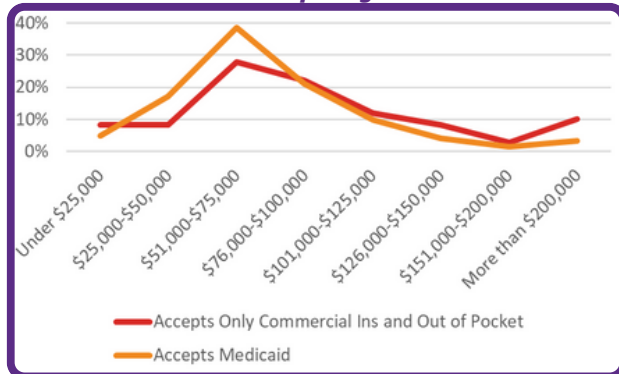


#### Findings

*Providers who accept Medicaid payments are more likely than those who don't to..*

- ✓ Serve children
- ✓ Work in nonprofit clinics or hospital settings
- ✓ Serve populations with higher needs, including social and economic challenges and trauma exposure.
- ⚠ Work for lower salaries
- ⚠ Dream of a new job

#### Salary Range



## The Role of Reimbursement Rates in Access to Care

The state legislature previously mandated review of Medicaid rates and their parity with commercial insurance as well as parity between rates for behavioral and medical services. **The results were clear that Connecticut's Medicaid reimbursement rates are lower than comparable states' rates, and behavioral health rates are the lowest.**

- Department of Social Services' Phase 1 Medicaid rate study found that nearly all of Connecticut's behavioral health billing codes had rates lower than those of the other states, and an estimated annual shortfall of \$42 million to meet the 5 state comparison rates (considerably more than the \$7 million allocated following the release of the study).
- The Office of Health Strategy's report on parity found that Medicaid payments for behavioral health services were significantly lower than commercial insurance and Medicare, with some services covered at only half the rate of commercial insurers.
- The report further indicated challenges with access to care for Medicaid enrollees, with up to four times as many providers available for those with commercial insurance.
- The State Comptroller Healthcare Cabinet Children's Subcommittee recommended increasing reimbursement rates to both meet parity with rates for medical services, and as a strategy to address unmet behavioral health needs among children.



The findings from CHDI's survey of Connecticut's behavioral health professionals indicate that these low reimbursement rates are placing downward pressure on salaries and in turn increasing burnout and turnover in the settings serving the most vulnerable populations with highest needs.

**Nonprofits relying on insufficient reimbursement rates are not able to cover costs and raise salaries to be competitive with other settings which offer more flexibility, smaller caseloads, and less acuity.** Prior reports from providers demonstrated significant challenges with recruitment and retention of behavioral health staff among nonprofits in Connecticut (e.g., an average of one third of staff positions were vacant in intermediate level of care settings and nonprofits overall reported an 18% vacancy rate in a recent report by The Alliance). **These staffing challenges in turn result in reduced access to care. The Alliance report found 59% of nonprofits reporting waitlists overall, with waits varying from a few weeks to a few months depending on the level of care.**

This connection between reimbursement rates and access to care mirror the findings from the broader literature and experiences in other states. In an evaluation of factors impacting the behavioral health workforce in Oregon, low reimbursement rates were identified as having increased turnover in the behavioral health field broadly, and in particularly within publicly funded services. Research indicates that higher reimbursement rates have the potential to lead to greater access to services by improving recruitment and retention for settings serving those with Medicaid and by incentivizing additional providers (e.g., those in private practice, etc.) to accept Medicaid insurance.

## Recommendation

Connecticut's Medicaid rates for behavioral health services are documented as consistently significantly lower than all available benchmarks (other states, Medicare rates, and commercial insurers). Research has demonstrated that professionals working in settings that are more reliant on Medicaid reimbursement are receiving lower salaries for what is often more challenging work, and are getting burnt out and leaving for less stressful and higher paying opportunities. Children covered by Medicaid are among the states most vulnerable populations with the highest needs.

**Connecticut has the opportunity to stabilize the workforce, increase access to critical services, and address the rising behavioral health needs among children in Connecticut. In the upcoming session, the state legislature should increase Medicaid reimbursement rates for children's behavioral health services.**

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### About CHDI:

The Child Health and Development Institute is a non-profit organization providing a bridge to better and more equitable behavioral health and well-being for children, youth, and families. We collaborate with policymakers, providers, and partners to transform child-serving systems, disseminate evidence-based and best practices, and advance policy solutions that result in better outcomes for children in Connecticut and beyond.

**Read the full Strategic Plan for the Children's Behavioral Health Workforce in Connecticut [here](#).**