



## MEMORANDUM

TO: The New Hampshire Mental Health Community

FROM: NH Community Behavioral Health Association (CBHA)

RE: Impacts of NH House Budget Cuts

DATE: April 2025

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The House Finance Committee version of the State budget, approved on April 1, 2025, makes significant cuts to mental health programs<sup>1</sup>. This erosion of services will impact important advances made in recent years by the State and community mental health providers – such as Mission Zero - that address hospital boarding issues, provide more appropriate crisis interventions and care, avoid more expensive care, and help to stabilize the workforce.

The proposed cuts will also reduce both workforce recruitment and retention at the ten non-profit Community Mental Health Centers (CMHCs). Further, a number of the proposed program cuts will seriously interfere with the State's ability to comply with requirements of Federal Court orders and the Community Mental Health Agreement, issued to address access to care. As a whole, these actions by the House are a giant step backwards for mental health care in NH, all of which will end up costing more in the long run for the State, for-profit and nonprofit businesses, individuals and families.

Specifically, the Finance Committee budget advances the following downsizing of the mental health system:

1. A 3% cut to the Medicaid reimbursement rate for all Medicaid providers, including the CMHCs. Nearly all costs at the Community Mental Health Centers are related to employees, thus this proposed rate cut will lead to reduced workforce and therefore reduced access to care.

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<sup>1</sup> The budget actions are related to the NH State Operating budget and do not account for any recent or developing federal program reductions,



2. A cut of \$18 million a year to the Governor's proposed budget for a number of community-based programs which are the underpinnings of the Mission Zero program, designed to provide early interventions at the community level to help avoid hospital admissions, reduce hospital ER boarding, and provide critical care sooner rather than later.
  - i. The programs most at risk include the following:
    1. CMHC core contracts for services
    2. Rapid Response
    3. Crisis Housing
    4. CTI (Critical Time Intervention)
3. The imposition of monthly premiums for some Medicaid enrollees, including thousands of children, which will result in additional uncompensated care costs for the CMHCs for clinically eligible individuals who lose coverage due to being unable to pay the premium.
4. The Governor's budget proposed a \$10 million appropriation - \$5 million for each year of the biennium – to help mitigate the CMHCs' uncompensated care burden. House Finance eliminated this. These growing uncompensated care costs in 2024 reached nearly \$15 million dollars and are creating financial jeopardy for the Centers.
5. The House Finance budget suspends the State Loan Repayment Program (SLRP), which offers limited, but important employee retention and recruiting support at the CMHCs where we have been reporting on workforce recruitment challenges for many years. These cuts also put at risk the current federal funds which support workforce retention programs at DHHS.
6. The House budget includes a section inserted at the 11<sup>th</sup> hour, without any public hearing or public input, which will prohibit inclusion of provisions for Equity, Inclusion or Diversity programing or policies in State and local contracting. The underlying approach on this section is unclear, the language is vague, and its conflicting requirements will put significant financial risk and administrative burdens on the Centers. This section also raises troublesome concerns regarding stigma and will make it harder for CMHCs to attract and retain workforce.
7. The House Finance version of the budget proposes to sell off the Philbrook Center campus, which includes a 20-bed mental health transitional housing facility operated by a non-profit provider. The budget makes no provision for the relocation of these beds and will likely put new capacity challenges on the State Hospital.



### **About the NH Community Behavioral Health Association**

The NH Community Behavioral Health Association is an organization comprised of the ten community mental health centers throughout New Hampshire. These centers serve individuals in our state who are living with – and recovering from – mental illness and emotional disorders. This network of mental health centers provides ongoing and emergency behavioral health services to New Hampshire residents, both children and adults. The goal of the Association is to raise awareness about the crucial role played by community-based mental health centers to ensure public safety and overall public health for all New Hampshire residents. In addition, the Association serves as an advocate for a strong mental health system across New Hampshire.