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My name is Stuart Archer. I am the President and Chief Executive Officer of Oceans Healthcare, a system of behavioral health facilities located throughout Texas, Louisiana, Mississippi, and soon Oklahoma. Oceans Healthcare prides itself on its six core convictions: dignity, comprehensive care, quality, integrity, advocacy, and teamwork. These values are the foundation of our company and what drives our employees to provide the highest quality of care.

Oceans Healthcare was founded in 2004 specifically to meet the behavioral health needs of the geriatric population, and has since expanded to serve patients of all ages, including adding specialized programs for our nation's military. Headquartered in Plano, Texas, Oceans Healthcare has 33 locations, with 23 hospitals, employs 2,000 people, and serves 24,000 patients a year. Our centralized support model provides Oceans' hospitals and care teams with the operational resources and expertise they need so that they can focus on what they do best: providing high-quality, compassionate behavioral healthcare to patients and families. Furthermore, this model allows us to focus our expansion on rural and underserved areas. Oceans often serves as the only behavioral health provider in the communities that we serve, providing access to quality behavioral healthcare to those who might not otherwise have it.

Oceans Healthcare offers comprehensive inpatient and outpatient treatment programs for patients at every stage of the healing process. As a nationally recognized leader in behavioral health, we treat patients experiencing depression, anxiety, bipolar disorder, schizophrenia, and behavioral changes related to Alzheimer's, dementia, substance abuse, or other mental health issues. Specifically, our services include inpatient behavioral services, intensive outpatient programs, partial hospitalization programs, and STAR military programs. Our commitment to

quality combined with a model that puts patients and families at the center of the treatment process has resulted in high patient satisfaction ratings and lower-than-average readmission rates. Oceans consistently achieves industry-leading performance metrics on national quality and safety measures.

At today's hearing, I look forward to discussing access to healthcare resources in our nation's border states. While Oceans does not have facilities directly on the Texas-Mexico border, we do have eighteen facilities throughout the state of Texas and are certainly no stranger to the struggles care providers within Texas have been facing. Oceans is experiencing the same challenges as other hospitals across the state of Texas, in particular, finding clinicians has been especially challenging for some time and this challenge has been exacerbated by the COVID-19 pandemic and further escalated by the border crisis.

While nearly 40% of Texas counties' primary health care needs are not being met, more than 80% of Texas counties are designated as mental health professional shortage areas.<sup>1</sup> To say it is challenging to incentivize behavioral health professionals to work in our rural and underserved facilities is an understatement. These behavioral health professionals can often find pay that is far greater in urban areas, and instead of selecting the specialty of behavioral healthcare altogether, these health professionals can make significantly more by simply choosing a different health specialty. In fact, a recent GAO report described low reimbursement rates for mental health services as a large barrier for patients finding in-network providers.<sup>2</sup>

Oceans Healthcare is working hard to provide care in areas that might not otherwise have access, yet we are facing challenges due to a lack of parity within reimbursement. Not only is there competition between various hospitals and specialties, but there is also competition within our border states, as hospitals must also compete with the federal government needing to staff

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<sup>1</sup> "Workforce in Peril: Shortages Threaten Patient Care." *Texas Hospital Association*, <https://www.tha.org/issues/workforce/>.

<sup>2</sup> U.S. Government Accountability Office, 2022, *Mental Health Care: Consumers with Coverage Face Access Challenges*, <https://www.gao.gov/assets/gao-22-105912.pdf>.

border facilities. While migrant detention centers or camps can be a valuable job creators, especially in rural communities, instead of forcing local entities to compete for staff, why not encourage partnerships?

Furthermore, it has been my experience that our law enforcement and first responders have been particularly impacted by the mental health and substance use issues they are confronted with daily in their jobs. Instead of allowing our law enforcement to do what they do best, we have instead depended on them to also serve as health providers and mental health specialists. GAO found that Bureau of Prison inmates with serious mental illness as opposed to inmates without serious mental illness were incarcerated nearly twice as much for sex offenses, robbery, homicide, and aggravated assault.<sup>3</sup> This is not fair to our law enforcement or our valuable community resources. Instead, we need to work on increasing partnerships with our local law enforcement. I am proud to say that all of our hospitals partner with local law enforcement to work with their mental health deputies.

I am grateful for the work this committee has done in the past to provide resources for our communities to support partnerships and public health and safety interventions between law enforcement and mental health specialists. I am particularly grateful for the expansion of the Mental Health Collaboration program authorized under the Helping Families in Mental Health Crisis Reform Act, included in the 21<sup>st</sup> Century Cures Act.

Finally, taking a broader approach to understanding why our behavioral health resources are so scarce and finding ways in which to improve access, we must understand that many of our federal laws and policies are antiquated and continue to lack the parity that this crisis demands. As mentioned earlier, the lack of parity in reimbursement is one significant barrier in hiring and incentivizing new health professionals to enter the behavioral health industry. In fact, during the COVID-19 public health emergency, the lack of parity that exists for behavioral health hospitals

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<sup>3</sup> U.S. Government Accountability Office , 2018, *Federal Prisons: Information on Inmates with Serious Mental Illness and Strategies to Reduce Recidivism*, <https://www.gao.gov/products/gao-18-182>.

was made abundantly clear. In many communities, Oceans Healthcare served as the only or the first inpatient psychiatric unit to care for COVID-19 patients with mental illness, yet our hospitals did not receive the same reimbursement as other hospitals simply because COVID-19 was not the primary diagnosis code associated with COVID-19 patients.

Additionally, we note that SAMHSA uses inconsistent criteria when issuing its block grant funding. On the one hand, when issuing the substance use disorder community block grants, no restriction is applied relative to providers' tax status, allowing recipients to be selected based on merit and outcomes alone. On the other hand, community mental health block grants issued by this agency are limited to only public and non-profit entities, instead of judging applicants according to their capabilities. Therefore, hospitals like Oceans which are providing valuable, quality care in underserved areas, are ineligible.

Finally, for too many of the patients who need more than outpatient mental health care, access to care remains blocked by obsolete laws. While we fully support increasing community-based mental health services, we must also acknowledge that inpatient services are critical for higher-complexity patients. Too often, these patients cannot access care. In fact, in Texas, there currently is a waitlist of over 2,500 patients.<sup>4</sup> This need simply cannot be met by state beds alone. We have a much greater understanding of mental illness now and must modernize our laws to keep pace with our understanding. In particular, we must follow the example being set by many Medicaid managed care companies and state-issued waivers by CMS, and phase out the Institutes for Mental Disease (IMD) Exclusion to provide greater access to the Medicaid populations needing inpatient behavioral health care. I am grateful for the flexibilities this Committee provided related to the IMD Exclusion, such as the state plan option allowing for Medicaid Managed Care organizations to provide reimbursement for patients in an IMD for 15 days or less. According to a report issued by the Centers for Medicare and Medicaid Services

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<sup>4</sup> Ernst, Sara Willa. "Waitlist Grows for Psychiatric Beds at State Hospitals in Texas." Houston Public Media, 11 Jan. 2023, <https://www.houstonpublicmedia.org/articles/news/health-science/2022/12/22/439874/waitlist-grows-for-psychiatric-beds-at-state-hospitals-in-texas/#:~:text=The%20waitlist%20of%20people%20waiting,are%20languishing%20in%20jail%20cells.>

(CMS), states described the need for the IMD waiver due to an increased need for psychiatric and SUD treatment, and this option is a critical part of the continuum of care.<sup>5</sup> This waiver expands access to essential inpatient behavioral health services, and I urge this Committee to further expand on this policy moving forward.

I am honored to have the opportunity to testify in front of this Committee, and hope to offer an important voice, specifically to those working to improve our nation's mental health system. Between the COVID-19 pandemic, our border crisis, and a mental health crisis, strain on our nation's public health resources has been building. It is our duty to assess the efficiencies of our current policies, and work together to find ways to make improvements that will expand access and ensure those who need care can receive it. Thank you for this opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stuart Archer', with a long horizontal flourish extending to the right.

Stuart Archer, CEO

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<sup>5</sup> The Centers for Medicare and Medicaid Services , 2022, Report to Congress | Study and Report Related to Medicaid Managed Care Regulation , <https://www.medicaid.gov/medicaid/managed-care/downloads/rhc-cures-act-12002.pdf>.