

Community Behavioral Health (CBH) is a nonprofit Medicaid Behavioral Health Managed Care Organization (BH-MCO) established by the City of Philadelphia to ensure access to behavioral health services for hundreds of thousands of Medicaid-eligible Philadelphians. CBH partnered with Econsult Solutions Inc. (ESI) to produce an economic impact study that underscores CBH's broad impact to the city and state and assesses the impact of federal Medicaid policy changes. The report illustrates the significant role that CBH plays in fueling the health care ecosystem, showing that CBH powers Philly and PA.

Please Note: All figures are rounded and reflect CY2024.

Community Behavioral Health

788,800

Eligible Members

99,800

Utilizing Services

600

Employees

\$1.3 BILLION

Operating Expenditure

\$985M

Medical Expenses

\$199M

MCO Assessment

\$117M

Other Admin. Expenses

260

In-Network Providers

187

Adult Services

137

Child Services

241

Mental Health Services

51

SUD Services

870

Care Sites

CBH Powers Philly and PA

\$2.01 BILLION

Total Economic Impact

\$1.09B

Direct Impact

\$923M

Indirect + Induced Impact

\$986 MILLION

Employee Compensation

13,450

Jobs Supported

2024 Economic Impact in Philadelphia vs. the Rest of PA



\$580 MILLION

Economic Impact

\$224 MILLION

Employee Compensation

3,500

Jobs Supported

\$274 MILLION

Total Tax Revenue

\$1.43 BILLION

Economic Impact

9,950

Jobs Supported

\$763 MILLION

Employee Compensation

\$27 MILLION

Total Tax Revenue

1. CBH expenditures are modelled to determine the effects of CBH's funding cuts on the regional and statewide economies. The decrease in modelled operating expenses, which excludes non-circulating expenses like depreciation and interest, out-of-state expenses, and the MCO assessment, is less than the decrease in total expenditures (\$99M).



Continued on Page 2

Estimated Impact of Medicaid Policy Changes on CBH

Changes to Medicaid eligibility and funding levels under the *One Big Beautiful Bill Act* (OBBA) of July 2025 will undermine CBH's ability to ensure access to behavioral health services for Philadelphia residents. OBBBA policy changes will reduce Medicaid eligibility for an estimated 67,200 Philadelphia residents², which will impact the city and state economies as well as individual and community well-being.

Please Note: All figures are rounded and reflect CY2024.

2. Based on analysis by the Pennsylvania Department of Health Services (DHS) and Congressional Budget Office (CBO)

CBH Spending Loss from Medicaid Policy Change³

-\$111 MILLION
Total CBH Expense Loss

-\$84M Medical Expenses
-\$27M Administrative Expenses (including MCO)

3. Estimated losses listed here only capture projected losses resulting from CBH's decreased medical spending under OBBBA as a single BH-MCO in Philadelphia, and do not represent the overall economic losses associated with other Medicaid MCOs in Philadelphia, the Commonwealth of PA, or overall under the HealthChoices program.

PHL Lost Economic Output All of PA⁴
-\$122M **-\$171M**

Lost Jobs
-810 **-1,110**

Lost Employee Compensation
-\$65M **-\$84M**

Lost Tax Revenue
-\$2M **-\$23M**

4. "All of PA" includes Philadelphia.

The Social Impact of Medicaid Policy Changes

Behavioral health services have important social impacts. OBBBA Medicaid policy changes will lead to degraded health outcomes, increased health care needs, rising costs, and downstream implications included below:

