



Michigan Association of
COMMUNITY MENTAL HEALTH
Boards

**MOVING MICHIGAN'S PUBLICLY FUNDED MENTAL HEALTH AND
SUBSTANCE USE DISORDER SYSTEM FORWARD**

For the past forty years, with the guidance of the Michigan Department of Community Health and support of the Legislature, Community Mental Health Service Programs (CMHSPs) across the state have developed comprehensive, community-based systems of care based on the principles of person centered planning, self determination, and continuous quality improvement. Linked with other community partners at the local level, these systems enable hundreds of thousands of persons with chronic and complex mental illnesses, developmental disabilities, and substance use disorders to live meaningful lives in their communities.

During the past ten years, Prepaid Inpatient Health Plans (PIHPs), as single CMHSPs or affiliations of several CMHSPs, have managed the Medicaid resources to support these systems for children with serious emotional disturbances, persons with developmental disabilities, adults with serious mental illnesses, and persons with substance use disorders. This carve out of specialty services and supports has enabled Michigan's publicly funded mental health and substance use disorder system to:

- Transform a mental health and developmental disability services systems that was hospital-based to one that is almost entirely community based. Last year Michigan closed its last regional center for persons with developmental disabilities. There are less than 800 adults with mental illnesses remaining in state institutions, many of whom are on forensic status.
- Blend general fund, Medicaid, private insurance, and grant financing resources to create integrated, responsive, and coordinated care delivery systems.
- Meet performance-based state and federal metrics related to access to care, timeliness of service, and care coordination outreach to primary care physician services.

In 2011, as the state prepares to address serious budget shortfalls, the new administration has called for "reinventing" Michigan and transformational thinking that will continue to move the state forward. The Governor's has expressed the following plans to support this forward movement:

- Pursue improvements in our state's healthcare system in terms of better access, quality, and cost.
- Reduce excessive or non-valued administrative regulations or requirements.

- Create performance metrics which provide the administration, the legislature, and Michigan's citizens with information to judge the value/return on investment of public resources.

Building on these principles, MACMHB offers the following recommendations to continue to move Michigan's publicly funded mental health and substance use disorder system forward:

MAINTAIN THE MANAGED CARE "CARVE OUT" FOR BEHAVIORAL HEALTH AND DEVELOPMENTAL DISABILITIES SPECIALTY SERVICES.

This system has improved access to care and reduced costs for persons with chronic and complex behavioral health and developmental disabilities. PIHPs and CMHSPs have moved persons with these disabilities out of costly, segregated institutional settings into recovery-based, integrated, cost effective community services. Through use of multidisciplinary teams and an organized network of providers, Michigan's CMHSPs and PIHPs have integrated specialty mental health services, health care, and social supports to promote the health and quality of care, and to control the cost of health care for persons with chronic mental health-related conditions.

To continue to move this system forward, Michigan should:

1. Maintain this carve out of behavioral health and developmental disabilities specialty services. This system has promoted the health of those with chronic behavioral and developmental disabilities conditions, ensured their quality of care, and controlled their cost of care.
2. Pursue a Medicaid state plan amendment (SPA) to designate the PIHP system and CMHSPs as the health homes for persons with these serious and chronic mental health and substance use disorders. This plan would build on the local networks of services and social supports already in place, and assure access to a wide range of physical health, mental health, and substance use assessment, treatment, and recovery services. Interested states are eligible to receive \$500,000 of Title XIX funding to support planning around development of such a SPA, and MACMHB urges the state to request such funding.
3. Pursue enrollment of low income adults in Medicaid through early adoption of healthcare reform. Due to general fund reductions in mental health and substance use disorder support, persons with mild to moderate psychiatric and substance use disorders are being denied access to care. As more Michigan citizens are losing private health insurance due to job loss and cutbacks on employer sponsored healthcare insurance, these numbers will continue to grow. For many of these individuals, lack of early intervention and treatment services will result in more costly and less effective services being provided through emergency rooms, inpatient hospital stays, and criminal justice settings. We need to retain the general

fund resources available to support services to non Medicaid eligible persons and use these resources to provide the state matching funds for expanded Medicaid enrollment.

4. Redirect some of the general fund resources currently supporting persons with serious mental illnesses and substance use disorders in correctional facilities to support these persons in community-based treatment settings. This is a more cost effective approach with better outcomes.

Reductions made in the state specialty (MH/DD/SUD) Medicaid system result in a loss of access to preventive services, a loss of the federal dollars that these funds leverage, and a cost shift to private citizens in the form of higher health insurance premiums to offset additional uncompensated care. Cuts to this set of benefits harms Michigan's most vulnerable citizens while losing millions of federal dollars.

STRUCTURAL REFORMS TO REDUCE ADMINISTRATIVE COSTS

The Department of Community Health has begun a process to review current state administrative review and reporting requirements and to develop a plan to maximize uniformity and consistency in the standards required of providers contracting directly with PIHPs, CMHSPs, and substance abuse coordinating agencies. These efforts need to be prioritized and moved forward as quickly as possible. Requirements, reporting functions, and reviews that do not contribute to improved outcomes or improve the quality of care for persons receiving services should be eliminated. Simplifying and standardizing contractual requirements will reduce administrative costs and provide more focus on treatment services.

Currently, there are significant delays in enrollment and eligibility determinations for persons with serious and chronic mental illness and developmental disabilities eligible for Medicaid services. As a result, federal Medicaid resources are not being captured to support their physical and mental health care, and scarce general fund resources are being expended.

To continue to move structural reform efforts forward, Michigan should:

1. Use full accreditation by a national accrediting body in lieu of many of the current state departmental review requirements. Deemed status for CMHSPs and provider organizations with such accreditation will reduce administrative costs and eliminate redundant reviews.
2. Standardize and simplify enrollment information within the Department of Community Health and across state departments, decentralize parts of the enrollment responsibilities, and make increased use of electronic records and enrollment processes. The Governor's new departmental structures will facilitate discussions between the Departments of Community Health

- and Human Services. Local CMHSPs and PIHPs, who collect identifying and eligibility-related information to enroll persons in their services, should be able to transmit this information to local DHS offices to assist them in the Medicaid enrollment and eligibility determination process.
3. Review current treatment and discharge planning requirements at adult state psychiatric facilities, and examine current state licensing requirements for community-based residential services, to support the placement of persons in more integrated, cost effective, and recovery-oriented treatment settings.
 4. Identify a manageable set of performance metrics that assess improved outcomes for persons with mental health and substance use disorders. Hold the system accountable for these outcomes. CMHSPs and PIHPs throughout the state have met and exceeded current performance measures, and will continue to move Michigan's publicly funded mental health and substance use disorder system forward.
 5. Promote more efficient service delivery by ensuring the public mental health system is a key partner to an integrated Health Information Technology (HIT) system in Michigan. Cost savings and improved care coordination can be realized through greater use of information technology and electronic health information exchanges that include the publicly funded mental health system.

ADOPT MENTAL HEALTH PARITY

Michigan remains one of eight states that do not have a mental health parity law. No states that have adopted such legislation have reduced or eliminated mental health parity provisions due to cost concerns. Previous polling of Michigan voters have indicated overwhelming support for state legislation to establish mental health insurance parity.

Mental health/substance use disorder parity would help offset current state general fund expenditures which subsidize the lack of private insurance coverage. Due to the inequities and limitations on behavioral health insurance coverage, individuals with private health insurance end up using general fund dollar for treatment because their insurance arbitrarily limits or prohibits payment for medically necessary behavioral health treatment services.

To continue to move our state's mental health and substance use disorder system forward, Michigan should:

1. Pass a mental health parity bill for all Michigan's citizens with a mental health or substance use disorder.

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