Michigan Association of
COMMUNITY MENTAL HEALTH
Boards

Written Testimony for the House Michigan Competitiveness Committee
Thursday, May 16, 2013

Chairman Shirkey and Members of the Committee:

My name is Michael Vizena, director of the Michigan Association of Community Mental Health Boards, representing the 46 community mental health boards and 75 provider organizations which deliver mental health, substance use disorder, and developmental disabilities services across the entire state.

On behalf of our members, I want to thank Representatives Lori and Pscholka for working on this critical issue. We view House Bill 4714 as an important first step in ensuring access to health care, specifically behavioral health care for 450,000 working adults.

Since the Newtown, Connecticut tragedy, mental health services have taken a much-needed front seat in policy and budget discussions at both the state and federal levels. In our estimation the best way to provide increased support for mental health services, remove barriers to accessing quality mental health services, and provide more uniform mental health services statewide is to expand Medicaid. Medicaid expansion will provide better access to behavioral care and save the state money.

Improve Access to Care

Cuts to general fund support for mental health and substance use disorder services over the past decade have resulted in a lack of access, reduction of services, and creation of waiting lists for persons without Medicaid. As a result, persons with serious mental health issues that are not life threatening are turned away from care or put on waiting lists. Persons with emerging mental health and substance use disorders are not seen for care, and instead end up in emergency room and hospital settings, law enforcement and criminal justice proceedings, and in some cases, homeless on the street. These are settings where they do not belong, and settings which are not equipped to provide the types of mental health and substance use disorder services they need.

If you want many of these individuals out of these settings and instead in community based mental health and substance use disorder services with providers trained to address their problems more effectively and more efficiently, expand Medicaid.

Saves State Resources

As in the case of physical illnesses, prevention and early intervention treatment for behavioral health disorders is the most cost effective care. Recovery from mental health and substance use disorders is possible when there are adequate resources to support such recovery. HB 4714 will provide such resources for 450,000 Michigan citizens. Studies indicate that 20%, one in five of us, will experience a mental health problem. Combined with the incidence of substance use disorders, the percentage of persons needing behavioral health services is higher.

It costs 20 times more to treat an emergent/urgent behavioral health care case than a less severe, more preventative case. The state government is obligated under the Mental Health code to provide emergency mental health services. The average cost to provide emergency mental health services to an adult in 2009 was $13,037 compared to $626 spent on adults with moderate early intervention conditions (2010 Anderson Economic Group Study). Additionally, it is estimated that better access to mental health services would provide an annual savings of between $5-8 million due to fewer numbers of persons with mental illness in jail or prison (2010 Anderson Economic Group Study).

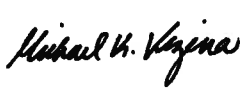
HB 4714

Let me be clear that our Association much prefers the Governor's plan to expand Medicaid. It is consistent with federal statute and rules, does not create the additional administrative costs that implementation of HB 4714 as currently written will require, and provides a stable funding source for access to primary care and behavioral health services for the next two decades. It also provides for targeted increases in mental health services.

With that said, we feel that HB 4714 is an important first step in ensuring access to health care. We agree with Rep. Lori that creating a healthy Michigan is the best way to save money. We do have concerns with the proposed bill as written:

- We believe the 48 month cap on benefits would limit access to much needed services and could ultimately increase uncompensated care.
- While we strongly support the development of wellness and healthy living incentives for all health insurance programs, including Medicaid recipients, they are not defined in the current legislation. We are concerned that instead of establishing positive incentives to shape behavior, unrealistic or punitive requirements will result in barriers or discourage potential beneficiaries from participating.
- Lastly, we believe the 100% federally funded provision is problematic. Providing an additional 450,000 Michigan citizens with health insurance and access to primary and behavioral health care is sound fiscal policy and a great return on investment, whether it is at 100%, 95%, or 90% federally financed.

Finally, and most critically, we will be working with the authors of this bill to add statutory language which insures that should Michigan adopt Medicaid expansion and then drop it, that the general fund support of mental health and substance use services be restored to at least its current FY13 levels. As you know, almost all of the savings in the state budget that are realized by Medicaid expansion come directly from the current general fund allocations to community mental health boards across the state. We are under no illusions that in the absence of such statutory language, future legislatures are likely to restore general fund support to address the mental health and substance use disorder needs of persons without Medicaid. General funds for community based mental health services have been systematically reduced over the past decade to address budget problems or to finance higher priority state services. Michigan citizens require statutory protection to insure that our state does not further erode its behavioral healthcare safety net system.

Thank you for the opportunity to provide testimony and consideration of our remarks.

Respectfully submitted,