

Written Testimony for the Senate Government Operations Committee
Wednesday, July 31, 2013

Chairman Richardville and Members of the Committee:

My name is Jeffrey L. Brown. I am the executive director of Oakland County Community Mental Health Authority. OCCMHA is one of 46 Community mental Health Service Providers and one of the 10 regional PIHP's. The OCCMHA network of providers serve persons with severe mental illness, developmental disabilities, children with serious emotional disturbances and in October of 2014, people with substance use disorders. Our mission is to inspire hope, empower people and strengthen communities. In 2012, our network served over 20,000 people.

We have been supporters of the Governor's Healthy Michigan plan that includes the expansion of Medicaid.

The key issues:

1. How many people would the expanded coverage cover
2. Level of service benefit that is available for people who currently do not have Medicaid
3. The level of funding that would continue to be available for safety net services in our community.

For Michigan Communities, broader coverage is better.

The degree to which people remain outside of any expansion plan, the need for state and local funding exists if not increases. Please consider ensure the existing safety net of public mental health Services are no longer eroded but strengthened in any scenario.

The level of service benefit for people is an issue in each plan. Are the services available, limited in amount, scope and duration by legislative decree or are services available to meet the needs of the individual person and condition.

CMHSP SYSTEM: GENERAL FUND SAFETY NET

Medicaid Expansion: 2 Critical Points to consider

4. How much GF to be removed from CMH system – Residual CMH GF safety net
5. Level of service benefit (Alternative Benefit Plan)for those receiving MA through expansion

CAUTION: These decisions are crucial for the health of Michigan citizens and critical for those currently served by the public mental health system.

Current Condition of the CMH General Fund:

1. GF funding for the public mental health system has been seriously eroded over the past 30 years – no economic increases, and significant reductions. This has resulted in a very fragile safety net with high service variability between CMHSP's/PIHP's statewide.
2. Current GF allocations and local spending does not reflect real community need.

Current uses of CMH GF and funding that needs to remain to have an effective safety net:

1. Full array of services **to priority persons** (i.e. those with most severe needs/**prioritized locally with no parity**) who are uninsured or under-insured (no parity, insured services do not meet their severe needs and recovery):
Current GF spending for these services is \$220m

NEED:

- **\$40m for the residual uninsured (estimated at 400,000)**
 - **If the state adopts a state plan coverage benefit plan for the expansion there will still be other effective recovery-oriented services needed (e.g. peers, employment, community supports) -- \$60m**
 - **If the state adopts a traditional insurance coverage for Expansion – need \$120m.**
 - **This funding also supports services in local jails that cannot be charged to Medicaid. OCCMHA served over 1000 persons in the jail in FY12 using GF**
2. Required GF match and GF subsidy for MiChild, DDCW, SEDW:
As reported by CMHSPs: \$8m. This draws down an additional \$12m in federal funding
 3. Required GF spending for Medicaid persons with disabilities who are spend-down who we believe will NOT be eligible for the Expansion - \$20m statewide. Without this GF spending these persons will not be able to access needed Medicaid services (i.e. are essentially UN-insured as the average spend-down amount per month is \$700 which they cannot afford). In FY12, OCCMHA served 1100 in Oakland County alone at a total CMH service cost of \$25m including GF at \$3.4m
 4. Full management responsibilities (management and tradeoffs) for state facility use including unexpected incidents of Incompetent to Stand trial (IST) and probated Not Guilty by Reason of Insanity (NGRI)

5. Necessary services not covered by Medicaid, e.g. certain residential (child caring institutions, larger MIA residential), room and board in crisis residential, wrap-around flex funds, family friend respite
6. Pharmacy/lab for non-Medicaid consumers
7. Early intervention services and community collaborations/community benefit (e.g. system of care, health care integration, early-on) spending as reported in Fy11 was \$30m statewide. This is believed to seriously understate needs as GF has been significantly reduced over the years. OCCMHA has many community partner agency that it supports to create an effective community of care
8. Early intervention for persons involved with law enforcement – jail diversion, in-jail supports, community corrections
9. Other: MRS match, GF match for DHS workers
10. CMHSP GF Benefit Plan Management
 CMHSPs in FY11 reported GF administration at \$24m i.e. 6% for managing GF services in the community as well as full management state facility responsibilities
At 6% of residual community spend and state facility spend: \$17m for management

TOTAL safety net needed \$165m to \$225m depending on Expansion benefit plan adopted

What was Proposed: The FY15 proposed executive appropriation takes the CMH GF line from a FY14 base of \$284m to \$80m with full year impact of expansion; this results in a community safety net system underfunded for its public responsibilities by a minimum of at least \$85m and essentially ends the role of CMH as an organization that serves the needs of the general public.

CMHSP SAFETY NET AS DESCRIBED BY THE STATE IN PROPOSED GF SAVINGS PLAN

1. Services for consumers (ages 21 thru 64) above 138% FPL	\$25.3m
2. Services not covered by Medicaid	\$6.6m
3. Pharmacy	\$0.5m
4. Prevention	\$18.3m
5. Other non-encounter services	\$10.6m
6. Administration	<u>\$3.6m</u>

TOTAL **\$64.9m**

