



Michigan Association of  
**COMMUNITY MENTAL HEALTH**  
Boards

Senate Appropriations Subcommittee on Department of Community Health  
Testimony — March 4, 2010

Senator Kahn and Members of the Subcommittee:

Good afternoon. My name is Michael Vizena. I am executive director of the Michigan Association of Community Mental Health Boards (MACMHB). Thank you for the opportunity to speak with you regarding the Department of Community Health's proposed budget for mental health and substance use disorder services.

With my limited time to address the subcommittee, I want to focus my comments this afternoon on four areas: 1) proposed reductions in general fund support; 2) possible restrictions or limitations on Medicaid funded behavioral health services; 3) opportunities for reform through identifying administrative efficiencies, and 4) opportunities to pursue alternative funding strategies, which include our Association's support for the inclusion of additional federal Medicaid funding (FMAP) and a revamped Quality Assurance Assessment Program for physicians' services in next year's budget.

Proposed reductions in General Fund support and Medicaid funded behavioral health services

Our state's system of publicly funded community based care is increasingly becoming a system for Medicaid eligible persons only. At a time when Michigan's economy has resulted in more citizens with mental health and substance use disorders requesting assistance from the publicly funded safety net of behavioral healthcare, this care is not available. The general fund reductions of over \$50M in FY09 and FY10 are forcing all CMHs to reduce or limit access to care. In some parts of the state, the care for persons without Medicaid is already limited to emergent and urgent care.

While not a part of the Governor's proposal, Senate leadership has proposed reductions in Medicaid optional services. While no details have been provided, mental health and substance abuse treatment services and pharmaceutical services are all optional services that could be targeted.

Additional cuts to behavioral health services in either General Funds or Medicaid will not eliminate the need for these services. Jails and hospitals will see more people with mental illness and substance abuse. Public safety and hospital personnel are less prepared to adequately handle them, and it costs more to serve persons in these settings. Early intervention treatment is cheaper

and more effective than back end crisis and hospitalization care. Depression, stress, and increased substance abuse all impact a person's ability to seek or maintain employment. In the end, any additional budget reductions will be more costly for the state and local communities.

### Reform through Administrative Efficiencies

At a time when resources are being reduced, MACMHB believes our system can achieve savings through prioritizing administrative activities that ensure and improve the quality of care, and by looking for efficiencies within our current processes. As an example, MACMHB's Policy Committee has been in communication with MDCH and has identified efficiencies within the multiple site review and audit processes for CMHSPs and PIHPs. Current requirements are redundant; our estimates show each CMHSP and PIHP spends almost 1800 staff hours in preparation and over 650 hours in facilitation of these reviews and audits.

We are hopeful that the Department will provide the same leadership and commitment to this effort that it has in moving our system towards person-directed services, recovery-based care, a culture of gentleness and community inclusion, and developing local systems of care for children and their families. Without this leadership and commitment, we will not make any significant progress.

### Alternative Financing Strategies

MACMHB supports recommendations in the Governor's budget for the use of the anticipated \$514 million in enhanced federal Medicaid rates (FMAP) for two additional quarters and the revamped Quality Assurance Assessment Program (QAAP) as a way to draw down much needed federal Medicaid money and avoid further reductions of safety net behavioral health services. The enhanced reimbursement rates for physicians in the proposed plan will also improve access to medical care for persons with disabilities.

Finally, MACMHB believes the state of Michigan could support some individuals with serious mental health needs through alternative financing strategies, including consideration of revisions to the current 1115 or a new 1115 waiver. Section 489 of this year's budget directs the Association and the Department to explore such potential alternative financing arrangements, which we have begun. In a time when funding is extremely tight we must explore any options, regardless of how challenging they may appear. Again, we look forward to active leadership and commitment by the state to move us forward with a plan and a proposal.

Thank you for allowing me to testify on behalf of our members. While we understand the budget pressures the state is facing, we feel it is critical that the state of Michigan maintain vital safety net behavioral healthcare services for all of its citizens without access to private healthcare. As you know, that number grows almost daily in this state.

