

Subject: CMH Association funding Advocacy update

To: Members of the Executive Board and Steering Committee, Board Chairpersons, CEOs of CMHs, PIHPs, and Provider Alliance members

From: Robert Sheehan, CEO, CMH Association of Michigan

Re: Funding advocacy update

In last Friday's CMH Association Weekly Update, we carried a number of stories underscoring the latest efforts by this association and its allies in its funding advocacy effort. You will note that the themes contained in these efforts echo those that we have discussed in a number of CMH Association venues. Given your leadership role in this association, we wanted to ensure that you had easy access to these resources. To that end, we have provided them below.

Report Cites \$150M Gap in Mental Health Funding

Below are excerpts from a recent article in MIRS, one of the two pre-eminent capitol news outlets, underscoring the systemic underfunding of Michigan's public mental health system.

There's a \$150 million gap between the cost of health care and what's provided to Michigan's public mental health system, according to a recent analysis released by the Community Mental Health Association of Michigan (CMHAM).

The analysis (<https://cmham.org/wp-content/uploads/2019/03/CMHA-Booklet-DIGITAL.pdf>) lays out five recommendations CMHAM sees as addressing "the current crises in unmet mental health and substance use disorder needs."

Among the recommendations include restoring General Fund dollars to the system, setting Medicaid rates to match demands and costs, and removing the local match draw-down obligation from budget boilerplate. CMHAM sees these changes and others as ways to modernize the funding system.

"There are new demands, new crises and new conditions in every community throughout Michigan, which the original financing structure did not account for," said CMHAM CEO Robert SHEEHAN, in a statement. "These include the opioid crisis, incarceration of those with mental health needs, the recognition of the prevalence of autism, increased homelessness and more -- yet the system is still operating from a decades-old funding structure."

Only 4 percent of the funding provided to the CMH system is available to serve Michiganders without Medicaid who need mental health services, according to the CMHAM press release.

"Lawmakers and community members may argue the public system has been functioning well despite funding gaps, but CMHAM warns that the current underfunded system is not sustainable long-term," according to the release.

CMHAM believes its recommendations would pave the way to stemming homelessness, poverty, incarceration and the premature death of Michiganders with intellectual and developmental disabilities, mental illness, and substance use disorders.

Report: Michigan Shorts Mental Health Industry by \$150 Million Annually

Below is an excerpt from a recent article, in Crain's Detroit Business, highlighting the gap in funding for Michigan's public mental health system

- Report by mental health providers calls for increase in funding
- Underfunding, increased demands have led to more homelessness, poverty, incarceration and unnecessary deaths
- Pilot studies to test theory that integration of physical and mental health can save costs, expand care

Increased homelessness, poverty, incarceration and deaths are predicted in Michigan by a new report that concludes there is a \$150 million gap between the cost of health care and the funding provided to the state's \$2.8 billion-plus public mental health system.

The study, which was commissioned by the Community Mental Health Association of Michigan, outlines several major changes in the population served since the current managed health care funding model was established in 1997.

Besides the opioid crisis — which resulted in more than 1,700 deaths in Michigan in 2016 alone and tens of thousands of addictions — the increased rates of incarceration of those with mental health needs and autism have caused many more problems within the system and society, the report says.

"Michiganders do not face the same mental health and substance use disorder needs that they had 20 years ago," Robert Sheehan, the mental health association's CEO, said in a statement. "There are new demands, new crises and new conditions in every community throughout Michigan, which the original financing structure did not account for. ... yet the system is still operating from a decades-old funding structure. This is the reality that the public mental health system in Michigan has faced for decades.

"Without moving toward the ambitious vision outlined by the association and addressing this outdated funding structure, Michiganders will continue to live without the mental health care that they need and expect."

Sheehan outlined five recommendations in the report to address unmet mental health and substance use disorder needs:

- Set Medicaid rates to match demands and costs. Medicaid rates account for 90 percent of the system's funding.
- Mandate Medicaid rates include contributions to risk reserves. Because of rising demand, some mental health organizations have drawn down reserves to the point where they are structurally insolvent.

- Allow for the public mental health system to hold sufficient risk reserves. Mental health agencies are not allowed to retain Medicaid savings that they generate through efficiencies and effective clinical practices.
- Remove the obligation to match state funding with local dollars to cover the gap between mandated Medicaid funding and the actual cost of care.
- Restore general fund dollars to the public mental health system. Since 2014, the state has cut general funding from agency budgets to allow people not covered by Medicaid to have access to mental health services.

The full article can be found at: <https://www.crainsdetroit.com/health-care/report-michigan-shorts-mental-health-industry-150-million-annually>

CMH Association Develops Focused Graphics Outlining the Causes and Solutions to the Underfunding of Michigan's Public Mental Health System

Recently, the Community Mental Health Association developed two infographics which depict, with clarity and focus, the components of the problem and solutions to the systemic underfunding of Michigan's public mental health system. These infographics can be found at:

Problems: <https://macmh.a2hosted.com/wp-content/uploads/2019/03/CMHAM-Problem-Infographic-v5-bleed.pdf>

Solutions: <https://macmh.a2hosted.com/wp-content/uploads/2019/03/CMHAM-Solutions-Infographic-v4.pdf>

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