



MICHIGAN HOUSE OF REPRESENTATIVES

May 17, 2017

The Honorable Tom Leonard
Speaker of the House
Michigan House of Representatives
164 Capitol Building
Lansing, MI 48933

Mr. Speaker:

In support of the Michigan residents whom we represent, the Oakland County delegation is unified in our opposition of current proposed budget recommendations for MDHHS as stated in boilerplate sections 298 and 234.

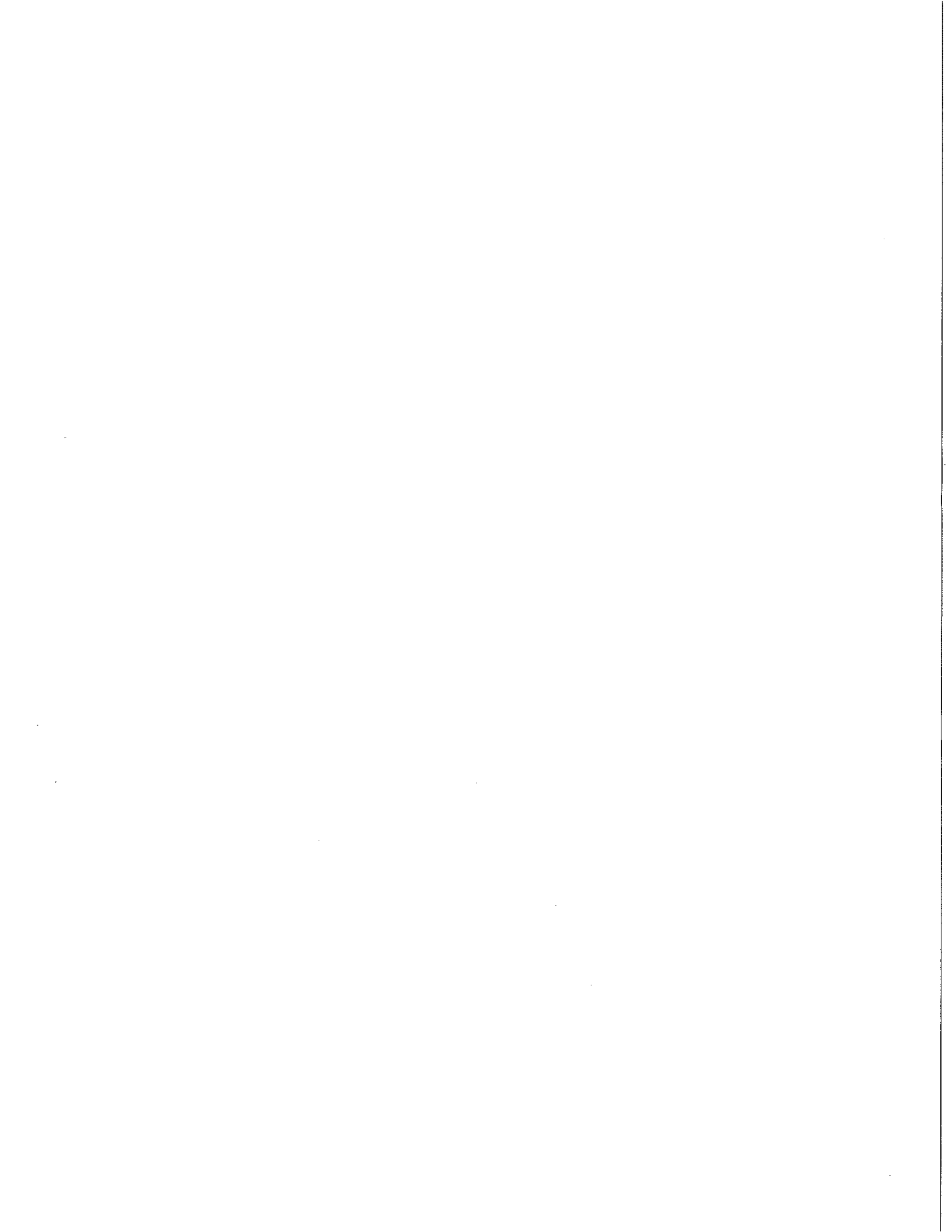
It is our opinion that the views of those who reside in our communities are best reflected in the attached proposed compromise language for sections 298 and 234.

Specialty public mental health services offered to individuals with intellectual / developmental disabilities, mental illness, substance use disorders, and children who have a serious emotional disturbance provide a desperately needed safety net for the most vulnerable among us. These comprehensive and integrated programs are designed to address all important aspects of life including overall health, community integration, education, employment, housing and transportation.

Last year alone, more than 25,000 people received public mental services in Oakland County. Additionally, another 57,000 residents were provided crisis intervention assistance by contacting the 24-hour helpline, and 153,000 individuals were engaged in population-based, substance use programs that impact community ordinances and policies to reduce substance misuse.

Their life successes and positive outcomes are directly linked to a system that puts people first, without concern for profit. According to its most recent figures, Oakland County's public mental health system, Oakland Community Health Network, reported administrative expenses of 4.82% for community mental health staff only and 1.47% for delegated functions. In comparison, for-profit mental health plans reported administrative costs of 15%.

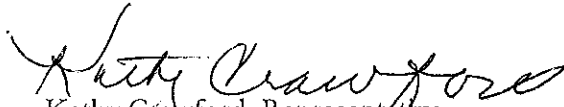
Increased dollars spent on administrative expenses translates to less money allocated for needed healthcare services for people.



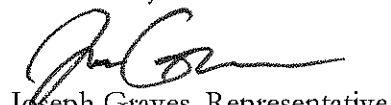


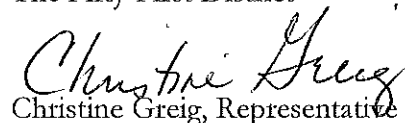
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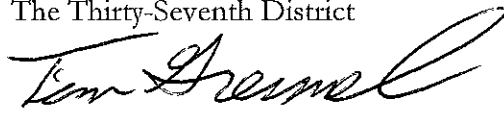
As public representatives, we are committed to promoting and protecting public mental health services for all people who rely on us to voice their views. **In this spirit, we request that boilerplate section 234 be deleted from the budget and boilerplate section 298 be changed to reflect the attached proposed compromise language that reflects efforts to engage in meaningful reform.**

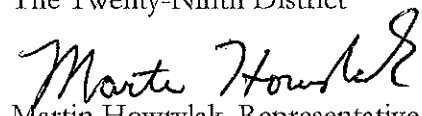

Kathy Crawford, Representative
The Thirty-Eighth District



Jim Ellison, Representative
The Twenty-Sixth District



Joseph Graves, Representative
The Fifty-First District

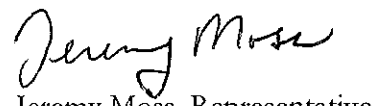

Christine Greig, Representative
The Thirty-Seventh District

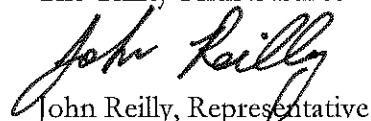

Tim Greimel, Representative
The Twenty-Ninth District

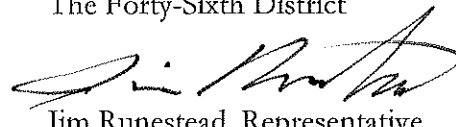

Martin Howrylak, Representative
The Forty-First District

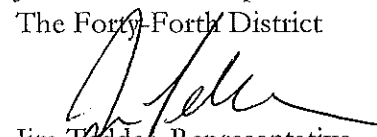

Klint Kesto, Representative
The Thirty-Ninth District

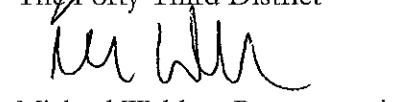

Michael McCready, Representative
The Fortieth District

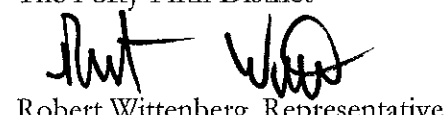

Jeremy Moss, Representative
The Thirty-Fifth District


John Reilly, Representative
The Forty-Sixth District

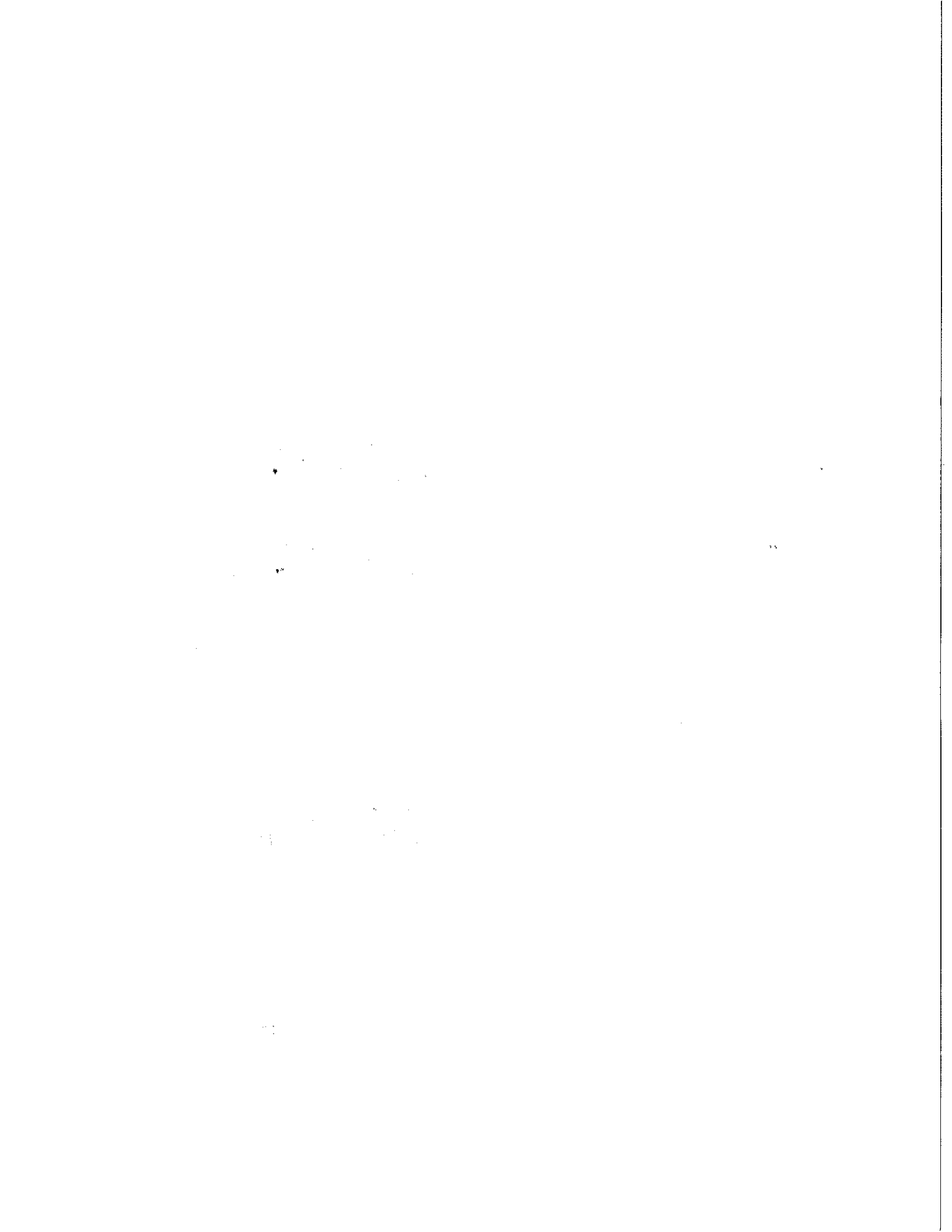

Jim Runestead, Representative
The Forty-Fourth District


Jim Tedder, Representative
The Forty-Third District


Michael Webber, Representative
The Forty-Fifth District


Robert Wittenberg, Representative
The Twenty-Seventh District

cc: House Committee on Appropriations



Section 234: REMOVE

Section 298: Prior to implementation of subsection (2), the department shall develop metrics to be evaluated, for both the successes and weaknesses of altering the behavioral health financial and services delivery systems. The evaluation shall consider all of the following, including, but not limited to, improvement of the coordination between behavioral health and physical health, improvement of services available to individuals with mental illness, intellectual or developmental disabilities, or substance use disorders, benefits associated with full access to community-based services and supports, customer health status, customer satisfaction, provider network stability, and financial efficiencies. Any and all realized benefits and cost savings of altering the behavioral health system shall be reinvested in services and supports for individuals having or at risk of having mental illness, intellectual or developmental disabilities, or substance use disorders. Upon completion of any pilots or demonstration models advanced under this section the results of the pilot or demonstration model shall be evaluated by researchers from one of the state's research universities. Part of the evaluation shall include comparison of Michigan model outcomes with similar model outcomes in other states.

(2)The department shall advance up to 3 pilots and demonstration models, including public/private partnerships that integrate the Medicaid behavioral and physical health benefit in the geographic area of the pilot. The department shall ensure the pilots described in this subsection are implemented in a manner, including, but not limited to:

- a. The pilots must meet the current standards related to person centered planning, recipient rights, as outlined in the Michigan Mental Health Code and MDHHS rules and regulations; and reporting as outlined in Section 904 of this budget bill.
- b. That any changes made to a Medicaid waiver or Medicaid state plan to implement the pilots described in this subsection must only be in effect for the duration of the pilots described in this subsection.
- c. That is consistent with the stated core values as identified in the final report of the workgroup established in section 298 of article X of 2016 PA 268.
- d. That provides updates to the Medical Care Advisory Council, Behavioral Health Advisory Council, 298 Workgroup and Developmental Disabilities Council.
- e. The department shall work with a willing CMHSP in Kent County and willing Medicaid health plans in the county to pilot a full physical and behavioral health integrated service model consistent with the stated core values of the workgroup established in section 298 of article X of 2016 PA 268.
- f. Managed care entities medical loss ratio shall not exceed that of the current Prepaid Inpatient Health Plan in the pilot area.
- g. Managed care entities shall contract exclusively with existing CMHSPs and, through the CMHSPs, with the CMHSP's provider networks for the provision of specialty services and supports in the pilot area. Additional providers can be added to the CMHSP's provider network via negotiations and joint agreement between the Medicaid health plan and the CMHSP.

h. Medicaid enrollees shall have the option to opt-in to the pilot project for the given geographic area.

(3) It is the intent of the legislature that the pilots described in subsection (2) be evaluated over a period of time and not be completed before September 30, 2020. Each year of the pilot programs, the department shall report on their progress in the annual budget presentation to the house and senate appropriations subcommittees on the department budget.

(4) By March 15 of the current fiscal year, the department shall report to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office on progress, a time frame for implementation, any state statute or federal waiver changes required, a fiscal analysis, and any identified barriers to implementation of the items described in subsection (2). In addition, the report shall also include information on policy changes and any other efforts made to improve the coordination of supports and services for individuals having or at risk of having mental illness, intellectual or developmental disabilities, or substance use disorders, or physical health needs.