



House Bill 4925-4929

Primary Bill Sponsor (Rep. Whiteford)

Thank you for sponsoring this critically important piece of legislation. Changes are clearly needed to improve the Behavioral Health care system in Michigan. The current system lacks services and funding for a very vulnerable population.

Catholic Social Services of the UP is a fully accredited Medicaid/Medicare provider for substance abuse and mental health outpatient services dedicated to serving vulnerable persons and families in our UP community. We also provide recovery housing to provide a safe home environment to decrease addiction behaviors, and move toward self-sufficiency.

We are one of a handful of non-profit Behavioral Health Providers serving the rural communities of the UP. Under the current system, Behavioral Health Providers absorb all of the financial risk by managing the number of Medicaid clients we serve. We strike a balance everyday between accepting clients with private insurances versus clients on Medicaid.

Currently our out-patient clinics serve an average of 2,500 clients annually of which 62% are Medicaid recipients. In 2018, our Medicaid case load increased to 69% creating a financial crisis for our behavioral health program. As a result of exceeding our Medicaid capacity for several months we were forced to downsize the program in 2019. We did this by laying off staff and behavioral health professionals, closing our Iron Mountain out-patient clinic, and closely managing our Medicaid client loads in our remaining two clinics. Since then we have not been able to serve all of those in need in order to keep our remaining clinics open. This example shows how Behavioral Health Providers are currently penalized for attempting to serve more Medicaid clients or exceeding our Medicaid capacity.

Bill 4925 helps Providers like us reduce some of the risk of serving this vulnerable and expensive population. Removing large administrative entities in the Behavioral Health system helps ensure more Medicaid funding ends up at the point of care. This bill helps prioritize funding to support the client and the services they deserve rather than fund layers of administration far from where the service is being provided.

The savings from the changes introduced in this bill can be reinvested back into the behavioral health system to help reduce the critical shortage in behavioral health professionals. Currently Behavioral Health Providers struggle to recruit and retain qualified professionals. We simply can't compete, and we've seen too many talented, licensed professionals lured away from therapy to serve in these large administrative entities. The reduction of these large administrative entities will help improve the recruitment and retention of trained behavioral health professionals to serve at the point of care. It will also help us provide competitive pay and benefits to keep licensed professionals in the field.

The implementation of the Behavioral Health Oversight Council in Bill 4925 allows Behavioral Health Providers to have a voice and some much needed visibility. The Behavioral Health Oversight Council provides the opportunity for providers, recipients, and DHHS to review results and recommend changes to policies and rate adjustments. Under the current system we experienced a \$2.38 reimbursement rate increase over the last three years. Only recently we experienced an increase of nine dollars. These increases lag well behind the cost of doing business increases of approximately 4% each year. Providers being a part of the rate adjustment process will help us remain financially solvent each year.



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Changes are clearly needed to improve the current Behavioral Health system in Michigan. I appreciate the opportunity to share a provider level perspective on why I think HB 4925-4929 will improve the current system.

Respectfully,

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