Mental Health Association in Michigan

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Board Chair

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June 3, 2021

Members, House Health Policy Committee
Lansing, MI

RE: Support for Rep. Mary Whiteford's proposed legislation/HB 4925-4929

Dear Representative Kahle and Members of the Health Policy Committee:

The Mental Health Association in Michigan is the state's oldest advocacy organization representing the interests of adults and children with mental health conditions in matters of public policy. My name is Marianne Huff, and I am the President and CEO of MHAM. I wish to offer support for the legislation that has been proposed by Rep. Mary Whiteford.

Today, we have a public mental health system that is purported to provide care to individuals with the most significant behavioral health conditions in our state. The charge for community mental health (CMH) is to be the public safety net for individuals without insurance and for individuals with Medicaid. In many ways, CMH has done a lot of good work over the years. At the same time, CMH has a lot of systemic challenges and problems that need to be addressed. The most recent K.B. lawsuit that was filed against the state of Michigan for the failure to provide appropriate supports and services to children and youth under the age of 21 is an example of what is "not working" in public mental health. The goal for community mental health is to provide services and supports in the least restrictive setting which means in the community. Unfortunately, this does not always happen and that is why there is a need for the type of systemic change that is proposed by Representative Whiteford.

Although it is a system that is funded with over 3 billion dollars per year, there is little that can be done to ensure that it is compliant with applicable state and federal rules. Much of the lack of accountability and oversight can be attributed to these factors: 1. The current PIHP (Prepaid Inpatient Health Plan) structure is fraught with a large amount of conflict of interest due to the way that the CMHs were allowed to configure the PIHP boards of directors in 2013 when the number of PIHPs was reduced; 2. The fact that the CMHs have their own board members on the PIHP board contributes to the conflict of interest; 3. The Behavioral Health and Developmental Disabilities Administration has so few staff that it cannot possibly monitor 46 contracts for general fund dollars with the CMHs and 10 Medicaid contracts with the PIHPs; and 4. there is nothing to prevent the inertia in a system that has not historically been held accountable.

A Prepaid Inpatient Health Plan (PIHP) has only two functions: 1. To distribute the Medicaid dollars from the MDHHS to the Member CMHSPs and 2. To ensure that the Member CMHSPs are utilizing Medicaid funds for its intended purpose and in accordance with federal and state rules and regulations.

The Member CMHSPS have a controlling interest in the PIHP which interferes with the PIHP's ability to provide

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oversight and accountability. The governance structure that was allowed by the Michigan Department of Community Health has contributed to many of the problems that have plagued some of the PIHPs. The Member CMHSPS have a controlling interest in the PIHP which interferes with the PIHP's ability to provide oversight and accountability. The governance structure that was allowed by the Michigan Department of Community Health has contributed to many of the problems that have plagued some of the PIHPs.

The following is a list of common problems that occur in the "system". This list is not exhaustive but represents issues that continually arise.

1. Lack of accountability and oversight including the lack of contract enforcement and adherence to technical guidelines governing certain requirements (as in the contract attachments). Some examples include:
    a. Critical managed care functions such as utilization management and provider network management are delegated to the CMHSPs when these functions should be managed by the PIHP.
    b. Certain values such as self-determination, person-centered planning and offering services in an equitable way to all population groups are not honored across all 10 PIHPs. Note: Self-determination and person-centered planning have technical guidelines that are part of the contract between the MDHHS and the PIHPs.
    c. Failure to allow equal access to services although an individual may be a member of the priority population.

2. Retaliation against persons served, families, guardians, loved ones, network providers and others who advocate within the public mental health system.

3. Inappropriate reductions in vital services even though the individual's level of care needs has not changed. This includes inappropriate reductions in the rates of reimbursement to network providers who contract with a Member CMHSP to provide certain services.

4. Lack of notice of rights to due process to a recipient of services when a Medicaid-covered service is suspended, reduced, terminated, or denied.

5. Funding formulas in certain PIHP regions have proven to be inequitable and caused significant problems in those regions. Example: Lakeshore Regional Entity, formerly known as the Lakeshore Regional Partners.

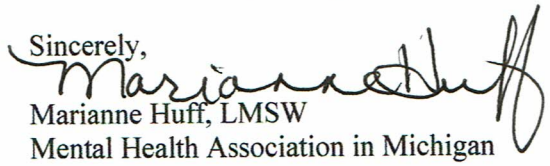
Rep. Whiteford's proposal to replace all the current PIHPs with a single, statewide entity eradicates the conflict of interest that is endemic to the many PIHPs currently in operation and does the following:

- Creates a single and statewide ASO that replaces all ten (10) Prepaid Inpatient Health Plans (PIHPs). This leads to fewer bureaucratic layers to navigate for persons served and those who love and support them in addition to significant administrative cost-savings that will be used to provide more services to more people in need.
- Preserves the current behavioral health carve out and does not disrupt the current Community Mental Health Services Programs system.

- Empowers and charges the state/department develop, implement, and oversee the core functions of the system (e.g., rate setting, clinical guidelines, quality assurance, network management, etc.)
- Provides the state direct involvement at every level to create uniformity in access to and quality of behavioral health and I/DD services and supports across the state.
- Creates a public behavioral health oversight council that prioritizes and requires persons services and their supporters/loved ones to be voting members (1/3rd of the 15 seats). It gives persons served and advocates a meaningful voice in choosing the Administrative Services Organization and in setting policy for the ASO; there is meaningful voice from other community stakeholders, including clinical representation, and an assurance of demographic and geographic equity.
- There is a consumer oversight committee under the behavioral health oversight council that gives representation to persons served. There is a requirement that the clinical oversight committee have two reps from persons served on the committee.
- There is a financial oversight committee under the behavioral health council that reviews and advises on the department's rate schedule development/re-basing with legislative recourse if necessary.
- There is a quality oversight committee under the behavioral health council responsible for establishing, monitoring, and updating clinical guidance and policy in conjunction with the department.

The Mental Health Association in Michigan supports the Representative Whiteford's proposal because it gives persons served and those who love/support them a greater and more authentic voice in the system that is designed to serve them. In the current system, the voice of those who matter most is not heard or honored in meaningful way.

Sincerely,



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