



# Michigan Association of **COMMUNITY MENTAL HEALTH** Boards

## **FY17 Executive Budget Proposal**

Governor Rick Snyder unveiled his Fiscal Year (FY) 2017 budget proposal. The total Executive Budget Recommendation for FY17, including all state and federal revenue sources, is \$54.9 billion, an increase of 0.8 percent or \$438 million over last year, and includes \$10.2 billion in general fund dollars. The general fund is up 1.5 percent from last year which translates to \$145 million.

Overall the FY17 executive budget proposal had several key proposals for behavioral health and developmental disabilities services. **Below are the major items of interest in the FY17 executive budget, of those items there are three that are of concern – 1. Section 298, carve-in, 2. Drop in Healthy Michigan funding, and 3. Section 928, local match draw down :**

### **Specific Mental Health/Substance Abuse Services Line items**

	<u>FY' 16 (final)</u>	<u>FY' 17</u>
-CMH Non-Medicaid services	\$117,050,400	\$117,050,400
-Medicaid Mental Health Services	\$2,383,364,300	\$2,287,190,100
-Medicaid Substance Abuse services	\$47,495,700	\$49,964,500
-State disability assistance program	\$2,018,800	\$2,018,800
-Community substance abuse (Prevention, education, and treatment programs)	\$73,811,800	\$73,811,800
-Children's Waiver Home Care Program	\$20,000,000	\$20,000,000
-Autism services	\$36,418,500	\$63,036,800
-CMHSP, purchase of state services	(\$\$ moved to contracts state hospital line)	-----
-Health Homes	\$3,369,000	\$3,369,000
-Healthy MI Plan (Behavioral health)	\$355,432,600	\$226,210,300

### **Other Highlights of the FY17 Executive Budget:**

## Behavioral Health Services

- The Center for Forensic Psychiatry is Michigan's psychiatric restoration and evaluation facility for persons identified as Not Guilty by Reason of Insanity and Incompetent to Stand Trial. The governor is recommending that the department expand its service capability by opening a currently unused wing of the facility to allow for the treatment of 30 additional patients, bringing total capacity to 240 patient beds. The expansion, resulting from this investment of \$7.6 million general fund, will assist in moving individuals who are currently housed in other regional hospitals or local jails to a facility better suited to address their mental health needs.
- The governor's budget continues his support of behavioral health and mental health services in Michigan. Governor Snyder recommends support for these programs with \$3.25 billion gross (\$1.19 billion general fund). Included in this programming recommendation is the continued support for the Mental Health and Wellness Commission, Medicaid mental health services, and Medicaid substance abuse treatment. In addition, funding for autism services is recommended at \$63 million gross (an increase of \$26.6 million). This recommendation reflects the expansion of coverage of applied behavioral analysis for youth up to the age of 21, beginning January 1, 2016.

## **Boilerplate Sections**

The executive recommendation included the following boilerplate sections:

**Section 298** – The department shall transfer the service funds appropriated in part 1 currently provided to PIHPs through the Medicaid mental health services, Medicaid substance use disorder services, Healthy Michigan plan – behavioral health and Autism services lines to the Health plan services line by September 30, 2017. To implement this change the department shall:

(a) Amend the contracts for the Medicaid health plans to include responsibility for covering the full array of specialty services and supports for eligible Medicaid beneficiaries with a serious mental illness, developmental disability, serious emotional disturbance, or substance use disorder upon completion of a plan to integrate these specialty services and supports in to the comprehensive health plan contract.

(b) Engage external stakeholders in the development of the integration plan. This process shall include, but not be limited to the Michigan association of community mental health boards, the Michigan association of health plans and advocates for consumers of behavioral health services.

(c) Contract with an administrative service organization to provide oversight of the Medicaid health plans and the CMHSPs and ensure continuity of care for the served populations. This organization would be responsible for, at a minimum, conducting analytics on claims from the Medicaid health plans and CMHSPs, reducing duplicative administrative functions at the CMHSP and the service delivery level, and advising state on performance outliers and population health status. The department may issue a request for information to identify potential administrative service organizations. The department is authorized to conduct a competitive direct solicitation to procure services in accordance with state procurement policy.

(2) The contract amendment described in (1) shall require Medicaid health plans to contract with the existing CMHSPs for the provision of specialty services and supports.

(3) Sixty days prior to completing the contract amendment detailed in (1), the department shall provide a report describing the integration plan to the state budget office, senate and house

appropriations committees and senate and house fiscal agencies. This report shall, at minimum, detail the following:

- (a) An assumed timeline for completion of the integration of behavioral health services into Medicaid health plan contracts.
  - (b) Information on the assumed change in rates that will be provided to Medicaid health plans as a result of the integration of behavioral health services into the Medicaid health plan contracts.
  - (c) Information on the projected fiscal impact of this change including any administrative savings that may be generated through the integration of behavioral health services into the Medicaid health plan contracts.
  - (d) A detailed plan describing steps that will be taken to ensure that current consumers of behavioral health service currently funded through PIHPs will not experience any disruption to their services and supports.
  - (e) A detailed plan describing how the department shall ensure the readiness of Medicaid health plans to take responsibility for services previously funded through PIHPs.
- Section 928 – Local match, Each PIHP shall provide, from internal resources, local funds to be used as a bona fide part of the state match required under the Medicaid program in order to increase capitation rates for PIHPs. These funds shall not include either state funds received by a CMHSP for services provided to non-Medicaid recipients or the state matching portion of the Medicaid capitation payments made to a PIHP.
- Section 1006 – Report on CMH Non-Medicaid Services Expenditures – new provision that requires DCH to provide the most recent cost data information submitted by the CMHSPs on how CMH non-Medicaid services funding were expended by each CMHSP. Requires the information to include general fund/general purpose costs for administration, prevention, jail diversion and treatment services, MICHild program, children’s waiver home care program, children with serious emotional disturbance waiver program, services provided to individuals.
- Section 1010 – \$2,000,000 shall be allocated to address the implementation of court ordered Assisted Outpatient Treatment associated with Public Act 497