



St. Clair County Community Mental Health Authority

Promoting Opportunities for Discovery and Recovery

July 30, 2013

The Honorable Randy Richardville
State Senator
P.O. Box 30036
Lansing, Michigan 48909-7536

Debra B. Johnson
Executive Director

John V. Baugh, MD
Medical Director

Stephen Armstrong
Board Chairman

Dear Senator Richardville and Committee Members,

On behalf of the St. Clair County Community Mental Health Board, I am writing to express my concerns regarding SB 422. While I appreciate the discussion surrounding this bill, the goal of this legislation, providing physical and behavioral health coverage to more Michigan residents, I strongly urge you to support HB 4714 (H-3) as approved by the House of Representatives, extending coverage to roughly 450,000 uninsured low-income residents in the State of Michigan.

One of my main concerns about SB 422 is the fact that no federal dollars will be allocated for Medicaid expansion, which will put continued pressure on the limited state general fund resources. Currently, the Community Mental Health system utilizes General Fund Benefit Plan (GF) dollars to provide services and supports to individuals with significant behavioral health needs who do not have insurance. However, when the allocation to the GF is reduced, which has continuously occurred over the past decade to address state budget issues, the ability to meet the needs of these individuals is not possible. Sadly, these individuals go untreated or do not receive the full range of services they require until crisis interventions are necessary.

In 2009, the Michigan Association of Community Mental Health Boards commissioned a study via the Anderson Economic Group (AEG). One of the most significant conclusions of this study was that early access to behavioral health services saves money. The AEG reported that Michigan was spending 20 times more on emergency care for individuals recovering from serious mental illness than for routine care. The average annual cost per adult with an emergency status in 2009 was \$13,037 compared to \$626 spent on adults with early interventions/moderate conditions. The report determined that if services and supports were offered at the onset of symptomology, well before crisis interventions were necessary, the high cost services associated with hospitalization could be significantly reduced.

As of this date, there are 116 individuals on the General Fund waiting list in St. Clair County who are experiencing mild to moderate mental health symptoms. They are going untreated as financial resources are not

available at this time. However, under the eligibility criteria of HB 4714 (H-3) these individuals would be eligible to receive the services and supports they need to manage their symptoms as Medicaid recipients – well before crisis interventions are needed.

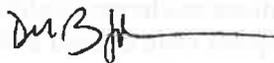
In St. Clair County, from October 1, 2012 through March 31, 2013, there were 237 individuals who required psychiatric hospitalization due to extreme mental health concerns. Over 33% of these individuals (78 people) did not have access to adequate health care coverage and were funded through the General Fund Benefit Plan at a cost of over \$314,710. This equates to approximately 22.9% of our year-to-date General Fund budget. In addition, we have spent approximately \$14,478 from the General Fund to cover pharmacy needs that were determined medically necessary to manage serious mental health symptoms.

When looking at the data related to General Fund hospitalization costs, what is most striking is that 50 of the 78 individuals (64%) who required hospitalization had either never been open with St. Clair County CMH or were open in the past, but were not receiving services at the time they were hospitalized.

The absence of an adequate insurance benefit significantly decreases access to care. Without access to care, many of the individuals with mild to moderate mental health symptoms will likely develop severe symptoms that require more intensive interventions (like hospitalization) or they may engage in behaviors that require interventions through the criminal justice system – another high cost service. The passage of HB 4714 (H-3), as written, could help solve this issue.

When the Senate Government Operations Committee discusses SB 422, I hope you will reconsider your current position and base your decision on what will provide the best possible outcomes for all Michiganders – the adoption of HB 4714 (H-3). This legislation will provide access to the services and supports necessary to help individuals with very low incomes and no health insurance live a life in recovery – free from crisis interventions which cost significantly more money. Vote to improve the lives of the people we all serve and support HB 4714 (H-3).

Respectfully,



Debra B. Johnson
Executive Director

Cc: Senator Phil Pavlov
St. Clair County CMH Board