Community Mental Health Association of Michigan

CMHA FY25 Appropriations Key Issues

Medicaid Redetermination

- As the state moves forward with its Medicaid redetermination process for more than 3 million Michiganders **we are asking that MDHHS make real-time adjustments to Medicaid rates, if we see a dramatic dip in Medicaid enrollment during the redetermination process**. Our PIHP/CMH system gets paid on a capitated basis (based on number of Medicaid enrollees) and without real-time adjustments our members could see dramatic decreases in revenue over a short period of time.
    - The public mental health system serves a population that is on Medicaid for a very long period of time and thus our costs remain very constant year over year, however the total amount of revenue coming in changes depending on how many total people are enrolled in Medicaid.
- **It is equally important that people get slotted into the "correct" Medicaid bucket.** The state's PIHPs and CMSHPs are seeing unusual re-enrollment patterns. As examples, they have seen HAB Waiver beneficiaries being moved out of HAB Waiver status and DAB enrollees being moved out to family planning only status. While these may be temporary "holding place" enrollment changes while the Department places these persons in the appropriate Medicaid category, our concern is heightened by the similarity of these re-enrollment patterns to those that we saw, several years ago, when DAB beneficiaries were re-enrolled as HMP enrollees given the far simpler enrollment process involved in the latter.

Medicaid Rates

- Increase FY25 Medicaid rates for the public mental health system to reflect the increased wages and provider rates needed to recruit and retain clinicians from a wide variety of clinical disciplines.
    - **Rates not reflecting increased wages required to close the workforce gap**: The FY 2024 rates paid to the state's PIHPs were developed using cost data that do not reflect the increased wages and signing bonuses and provider costs that were required in FY 23

and which will continue to be needed, permanently, to recruit and retain staff and providers in the CMH, PIHP, and provider network.

- **Utilization data drawn from low use period during pandemic**: The FY 2024 rates are derived using utilization data from a period early in the pandemic from which the FY 2024 trend line is drawn. Given the impact of the pandemic on artificially depressing utilization, the service utilization patterns of that period (FY 21 and 22) are not representative of the current trend lines. FY 2023 utilization patterns, which represent a less aberrant, post-pandemic, utilization pattern should be used in determining FY 2024 utilization patterns.

Continued Phase Out of Local Match draw down – Section 928

- FY25 budget to include $5 million GF/GP to offset local/county resources for Medicaid match purposes and continue the 5-year phase out of the use of local/county dollars for Medicaid match purposes.
    - This was not included in the final conference report for FY24, which should have been year 4 of the 5-year phase out.
- Language from FY23 budget:
    - (3) It is the intent of the legislature that the amount of local funds used in subsection (1) be phased out and offset with state general fund/general purpose revenue in equal amounts over a 5-year period.

Certified Community Behavioral Health Clinics (CCBHC)

- **Support** the FY25 Executive Budget recommendation to include $193.3 million to expand Michigan's Certified Community Behavioral Health Clinics (CCBHC) demonstration program ($35.6 million general fund). Funds will be used to support new CCBHC sites and establish more sophisticated oversight and monitoring for the Medicaid CCBHC system.

Medicaid Inmate Exclusion Policy

- **Support** the FY25 Executive Budget recommendation to include $30.5 million for new pre-release Medicaid services to incarcerated individuals ($5.6 million general fund). These services will reduce reliance on emergency medical services and support proper transition of care for people previously in state prison, jail, and secure juvenile justice settings.
    - **Enrolls prisoners in limited Medicaid 90 days before release, ensuring they are set up for medical coverage upon reentry into communities.**

Reduce Administrative Burdens

We are requesting the **addition of boilerplate language that would ELIMINATE / REDUCE a number of administrative burden on the public mental health system**.

1. **Suggested boilerplate on Deemed Status**

DHHS shall waive all reviews and audits for CMHs and provider organizations that have received full accreditation from a qualifying national accrediting entity for those program and financial reviews that were included during the national accreditation process.

- Tremendous amount of duplication and redundancy in state program/financial reviews and audits. There should be oversight of the system, but we want to eliminate the duplication and non-value added requirements.

- Ohio and Illinois both have deemed status Illinois found there was 40% redundancy between state requirements and national accreditation requirements

    - CMHA members (PIHPs/CMHs/Providers) spend thousands of staff hours and resources complying with state reviews that do not provide value, are not used in a substantive manner or are duplicative.

2. Reduce clinical and contractual paperwork demands and reverse the recent explosion in the number of procedure codes required of the community-based system: Two developments on this front are in immediate attention:

    - MDHHS and Milliman-led move to 15-minute codes for community living supports (CLS) vs 1 report per day – **change resulted in 96 reports per day vs 1.**

    - MDHHS and Milliman-led dramatic increase in service code combinations – the complexity and burden on the clinicians and other service delivery staff, finance, and information technology staff of the community-based system have grown exponentially, 7,169 combinations of unit costs that must reported by the community-based system.

Behavioral Health Accelerated Degree Program

We are requesting **$10 million to provide grants to individuals who agree to enter into an accelerated social work degree program and to work for at least 2 years within the public behavioral health sector after completion of their degree.**

- $5 million in one-time funding was included in the FY24 budget, which will provide assistance to a little over 100 social workers.

Better Coordination with Mental Health in school funding

The FY25 Executive Budget recommendation includes $300 million for student mental health and school safety needs. The budget supports districts in managing individualized mental health needs and enhancing the safety of school buildings. Of this amount, $150 million is recommended as ongoing funding to provide districts with a stable financial source to support this important work.

CMHA suggests taking a collaborative approach with the school mental health resources. Those resources should be used by school district to purchase services from the public mental health system or resources go directly to the public mental health system to provide those services for local school districts.

- Our concern has been when dollars go towards school-based mental health professionals that leads to an exodus of CMH/MH provider staff going to work for a school district, which compounds an already existing workforce shortage.

Direct Care Wage Increase

- We are requesting **funding to adequately pay a competitive living wage for the state's 50,000 DCWs in the behavioral health system in the Fiscal Year 2025 state budget. This request will require ongoing support reflected in the Medicaid rates.**

- Direct supervisors also must receive wage increases that are commensurate to the compensation of the individuals that report to them.

- Consider alternatives to the "pass-through" model; funds should be allocated to the behavioral health system that are then built into equitable and sustainable reimbursement rates, allowing for higher wages for direct care worker