



MDHHS: FY21 Budget Executive Recommendation

February 19, 2020

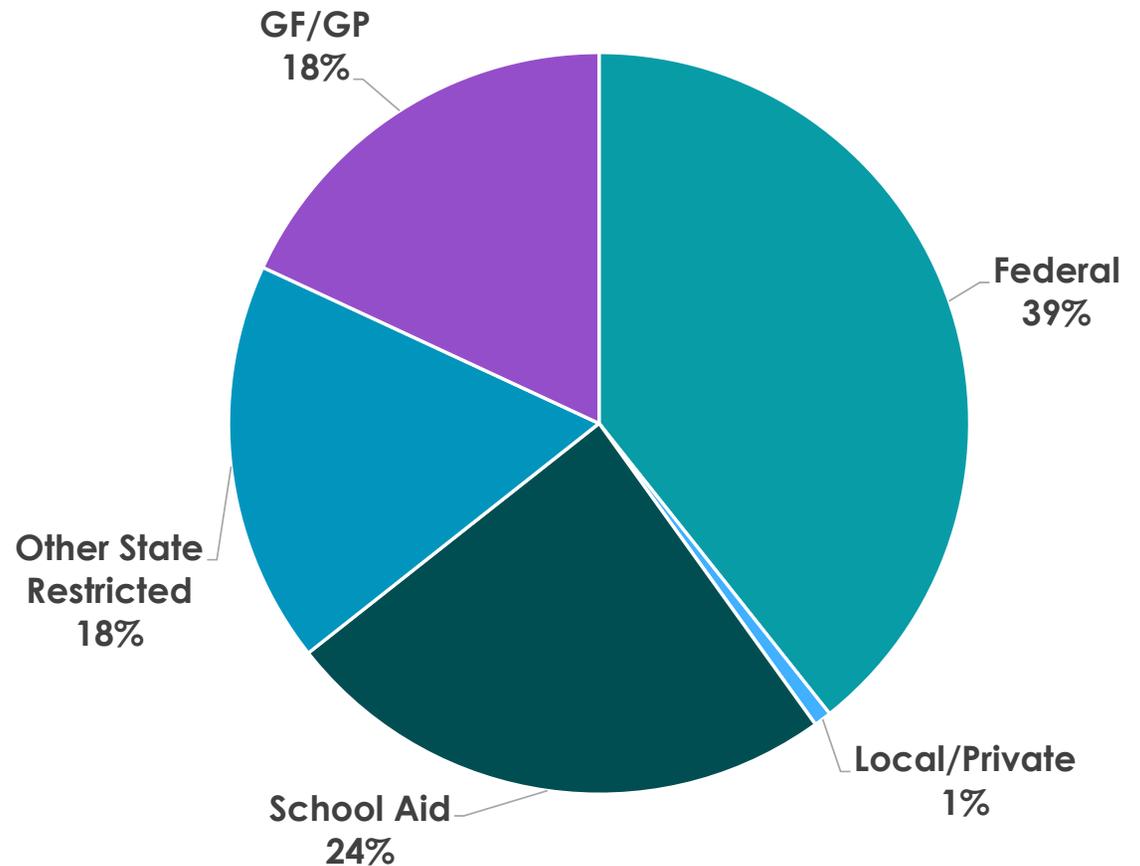
Fiscal Year
2021 State of
Michigan
Budget Invests
In:

- Education and Skills
- Health and Families
- Climate and Water

FY 2021 Budget

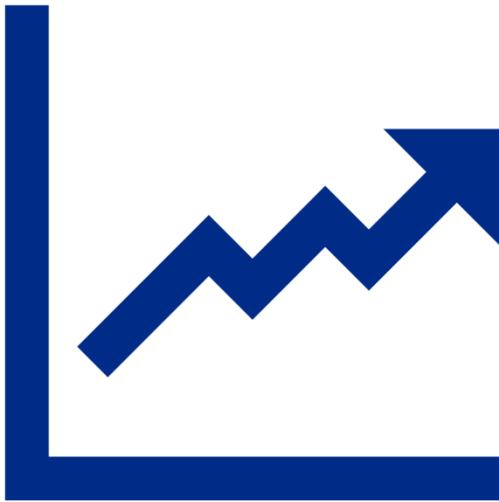
- General Fund has been flat for more than 20 years
- There are significant pressures on the General Fund
- We worked with State Budget Office to make reductions where it made sense

Total Budget by Source



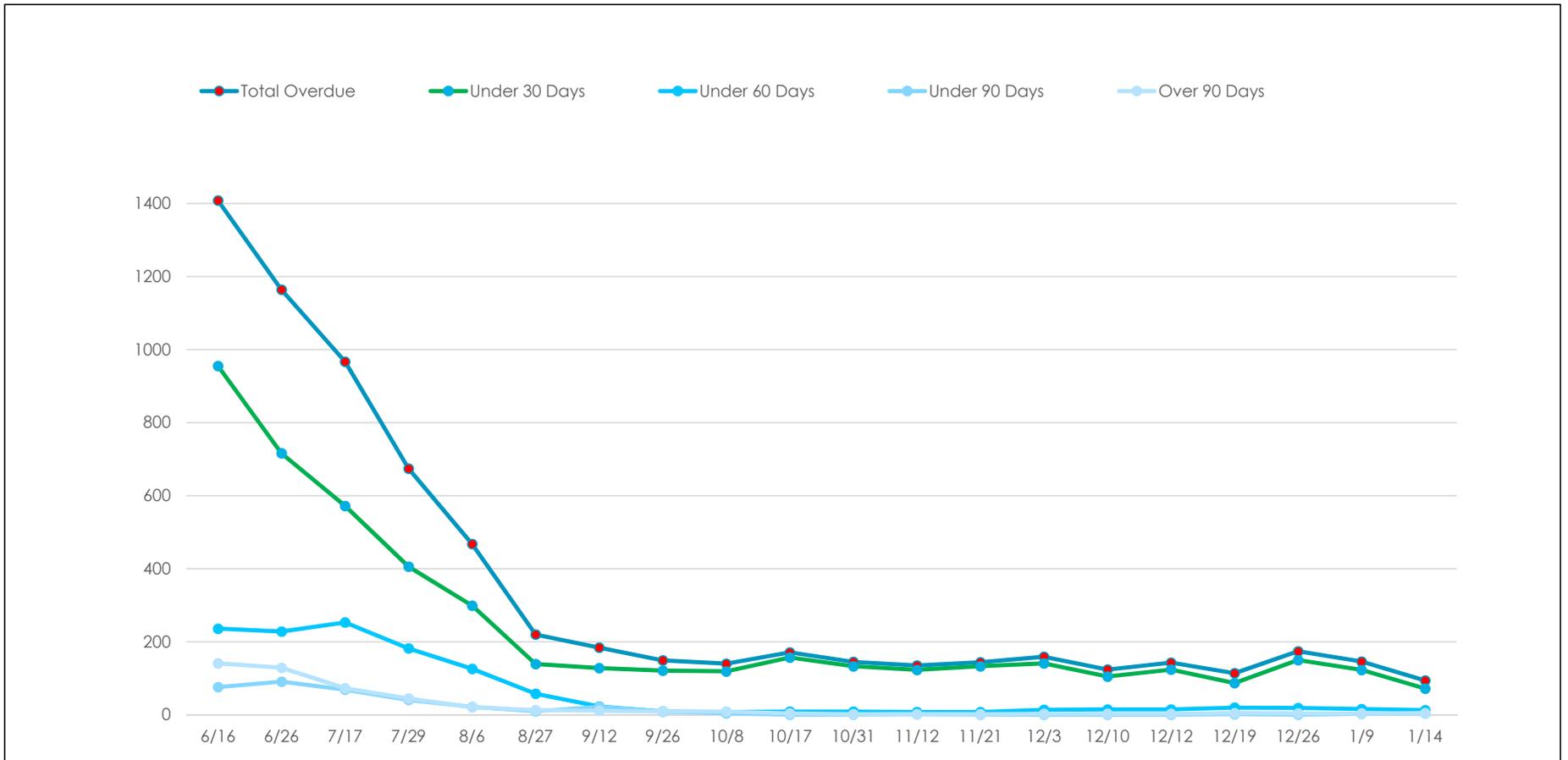
Department Support for Budget

- **GOVERNOR WHITMER IS FOCUSED ON GETTING THINGS DONE THAT WILL MAKE A DIFFERENCE IN FAMILIES' LIVES RIGHT NOW.**
- The Governor's FY21 budget is focused on **keeping families safe and healthy**, improving public education & skills, and protecting Michigan from harmful effects of climate change.
- We are in full support of the Governor's recommended budget for our department, which aims to **improve outcomes** and **save for the long-run** by:
 - Improving health outcomes for moms and babies
 - Reducing foster placements
 - Preventing lead poisoning
 - Addressing social determinants of health
 - Establishing long-term care options counseling for seniors
 - Driving value in Medicaid, and more

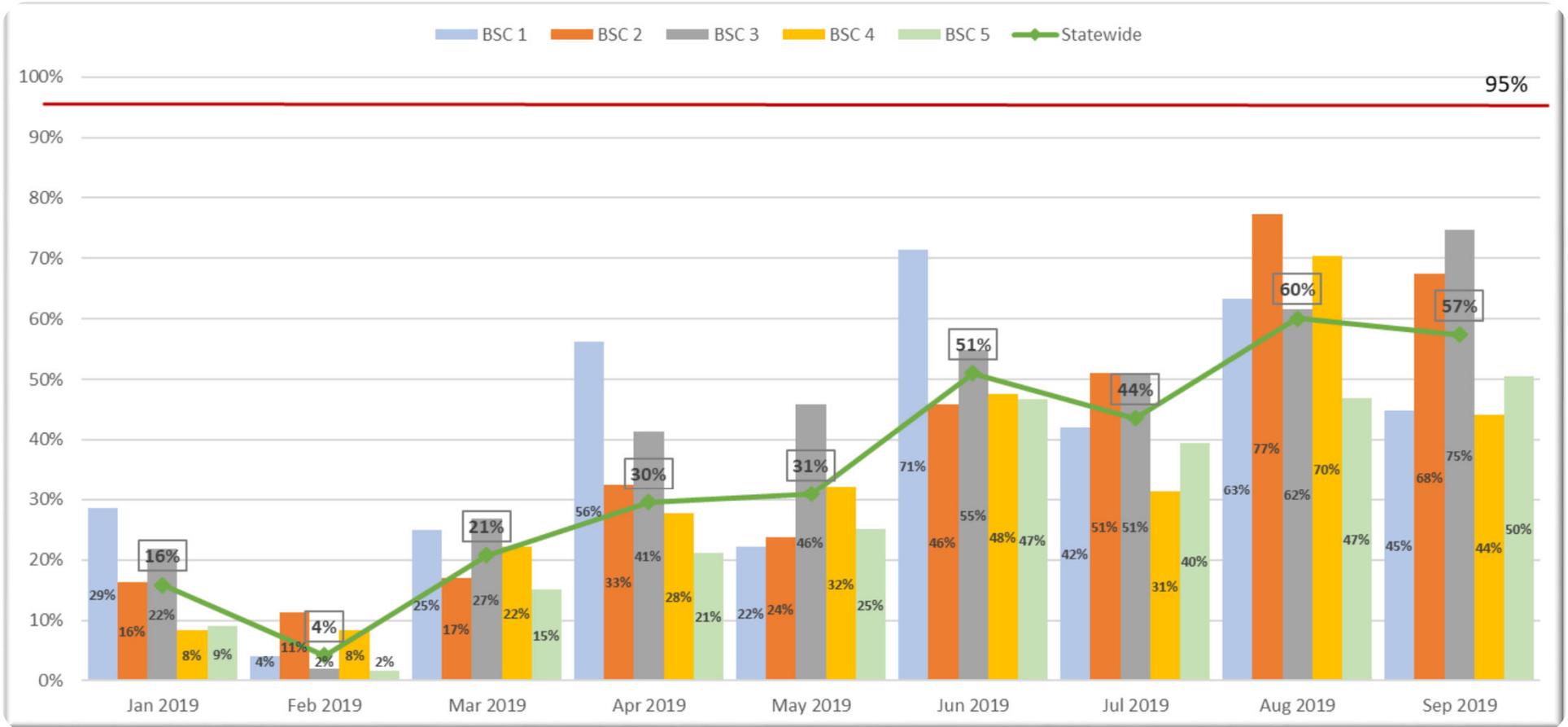


Progress

Overdue CPS Investigations



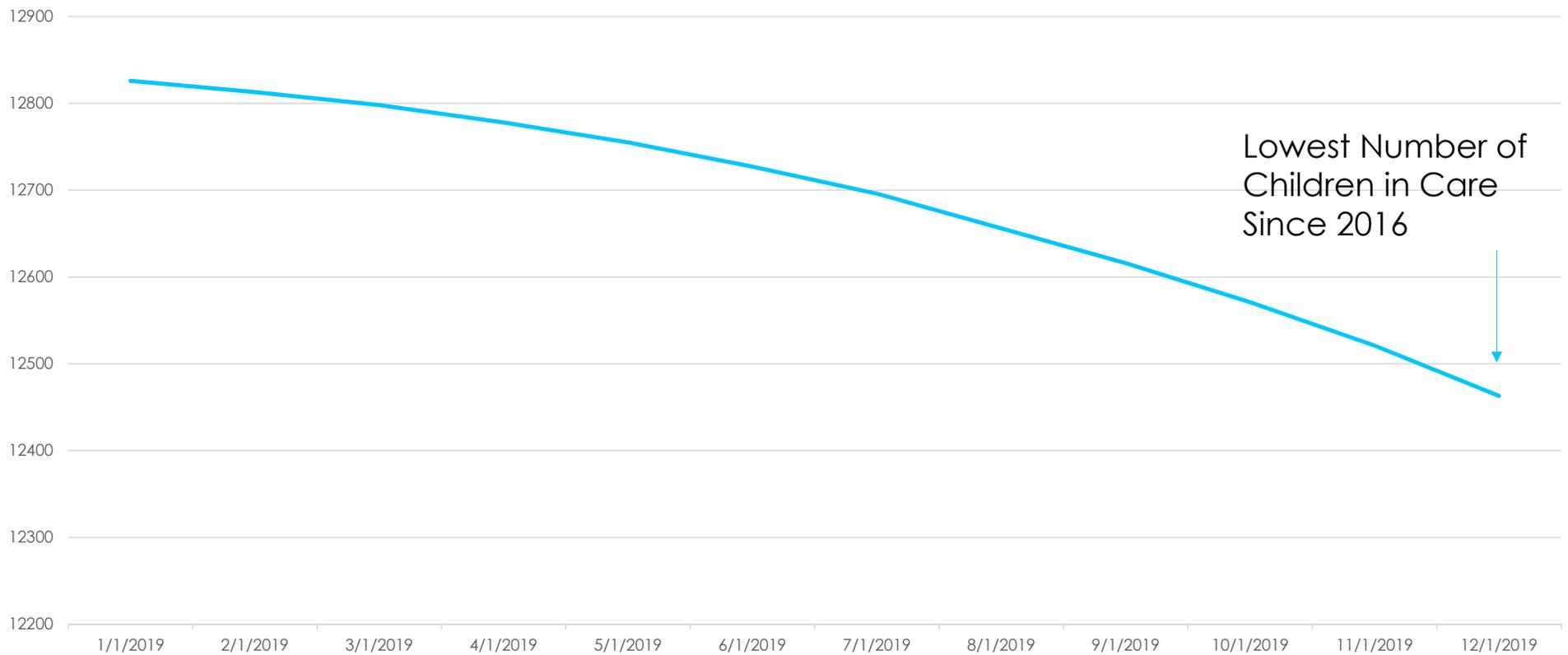
Relative Safety Checklist





Children in Foster Care

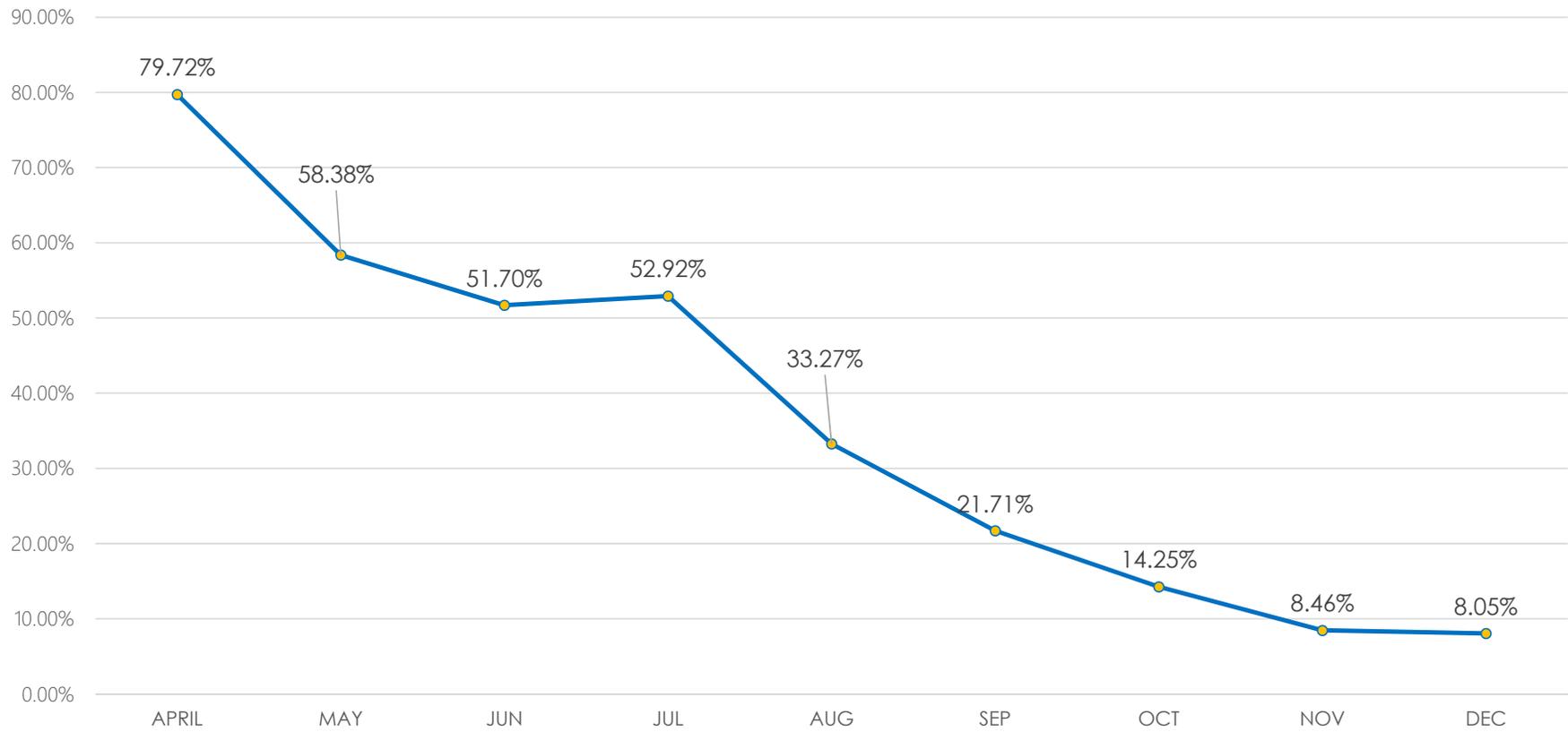
Children In Care By Month - 2019
Rolling 12 Month Average



UCL Backlog



Error-100s



Reducing Deaths from Opioids

- **Launching \$1M media campaign** to combat stigma
- **Removing prior authorization requirements** for key medicines, including buprenorphine
- **Implementing Medication Assisted Treatment** across MDOC facilities
- **Expanding support for safe syringe programs**

From: [REDACTED]
Sent: Wednesday, January 29, 2020 8:40 PM
To: MDHHS-BHDDA <MDHHS-BHDDA@michigan.gov>
Subject: Re: Naloxone Kits

This saved a life last night. Thank you for providing this resource.

On Fri, Nov 1, 2019, 12:13 PM MDHHS-BHDDA <MDHHS-BHDDA@michigan.gov> wrote:

October 31, 2019

Dear Substance Use Treatment Provider,

On behalf of the Michigan Department of Health and Human Services (MDHHS), I am writing to strongly recommend that substance use treatment programs provide naloxone to individuals discharging from the program who have a history of opioid use.

MDHHS can offer your program naloxone kits at no charge to provide to discharging clients; please see additional information below on how to submit a request.

In 2017, there were over 2,000 overdose deaths in Michigan attributed to opioids. Unfortunately, research shows that individuals discharging from treatment for opioid use disorder have a high risk of overdose injuries and death. In an effort to reduce overdose deaths due to opioid misuse, MDHHS recommends the provision of naloxone to individuals with a history of opioid abuse who are discharged from Substance Use Disorder (SUD) treatment facilities.

Naloxone is a non-addictive medication that reverses the effects of an opioid overdose and can save an individual's life. Distributing naloxone to individuals at high-risk of an opioid overdose is key to reducing fatal overdoses in the State of Michigan.

In order to achieve this goal, any licensed SUD treatment or rehabilitation facility may request naloxone nasal spray kits from MDHHS, at no cost, to provide to individuals with a history of opioid use leaving SUD treatment facilities.

SUD treatment facilities may request kits by contacting MDHHS-Office of Recovery Oriented Systems of Care at:

Office of Recovery Oriented Systems of Care: mdhhs-bhdda@michigan.gov

Please provide the **name and address of your facility, number of naloxone kits requested, and the number of individuals with opioid use disorder that your facility serves annually**. MDHHS expects to use the above distribution system temporarily and will provide additional information soon on a permanent naloxone request system.

In addition, please note that Michigan promulgated a Naloxone Standing Order in 2016 that allows a pharmacist to dispense naloxone without an individual prescription. A pharmacist can register for the Standing Order at: https://www.michigan.gov/mdhhs/0,5885,7-339-71550_2941_4871_79678---,00.html.

Dr. Joneigh Khaldun

Management of IT Shortfall

- Freeze on non-essential IT development
- Freeze on most MDHHS hiring
- \$12 million in GF vendor concessions in 2019; \$6.8m YTD in 2020
- \$12m in GF admin. savings to close 2019; \$6m budgeted in 2020
- Increased financial oversight, with detailed & timely vendor billing
- Documentation of new project requests
- DHHS/DTMB IT Governance Board
- Lean Process Improvement
- Agile Transformation

General Fund Baseline Cost Increases



\$392 million total including:



\$61.6 million in actuarial soundness for Health Maintenance Organizations (HMOs) and Prepaid Inpatient Health Plans (PIHPs)



\$240.2 million to support caseload and utilization for entitlement programs.



\$73.6 million to replace declining state restricted revenues.

Overview

	GF (M)
<i>Reductions submitted</i>	\$134
<i>Total ongoing investment requests</i>	\$59.8
<i>Total one-time investment requests</i>	\$53.4



Improving outcomes



Saving for the long-run



Vision and Focal Points

Vision: Deliver health and opportunity to all Michiganders, reducing intergenerational poverty and health inequity



Give all kids a healthy start

Provide families with stability to stay out of poverty

Serve the whole person

Use data to drive outcomes

Healthy Moms, Healthy Babies, Healthy Families

Context

- Unacceptable levels of maternal and infant mortality, including racial disparities
- Limited access to prevention, support services & home visiting
- More than 15% rate of postpartum depression, usually untreated

Response

- Increase access to preventive services
- Expand and strengthen home visiting programs
- Broaden postpartum health care and assistance with depression

Expected impact

- Healthier births
- Lower maternal & infant mortality
- Better life outcomes across generations

Prevention of Foster Placements

Context

- Preventive investments safely **keep families intact safely** and **save money**
- The Family First Prevention Services Act provides federal match
- **Michigan is behind other states** on FFPSA implementation

Response

- **Implement evidence-based services for families at risk of child removal**

Expected impact

- **Reduction in entry into foster care and group homes**
- **Improved child & family outcomes**
- **No net cost in year 1**, savings over time

Child Welfare IT Modernization

Context

- Aging and failing IT system, MiSACWIS
- “Persistent and significant defects”
- Caseworkers routinely describe MiSACWIS as a **critical obstacle to serving kids**

Response

- Implement a modern, user-friendly child welfare information system

Expected impact

- Improved outcomes for kids and families
- Increased caseworker satisfaction and retention

Lead Poisoning Prevention Fund

Context

- **370,000+ housing** units with lead-based paint and children under 6
- **Landlords and homeowners often need access to capital** to abate lead

Response

- **Establish a fund that expands access to private capital for landlords undertaking lead abatement**

Expected impact

- **More lead abatement**
- **Healthier children with better educational & employment outcomes**

Preventive Investments in Social Determinants of Health

Context

- Housing, food, job, and other factors drive **40% of health outcomes**
- Federal funding for Michigan innovation (CHIRs) is ending
- Patchwork of SDOH tools creates waste & confusion
- **We can invest now, or risk losing what we have built**

Response

- **Establish a statewide screening and referral infrastructure**
- **Scale a strong, coordinated community infrastructure**
- **Evaluate what we do**

Expected impact

- Greater access to services that improve health
- Better health outcomes, lower medical costs

Independent Options Counseling for Seniors

Context

- Seniors make long-term care decisions with **incomplete or one-sided information**
- They miss home-based services they want, and get costlier care than they need
- Michigan **ranks 45th** in share of long-term care expenses on home- and community-based services

Response

- **Provide eligible seniors with conflict-free counseling** around long-term care options

Expected impact

- **More seniors aging at home**
- **Significant long-term savings** per independent analysis conducted for MDHHS

Opioids Crisis Response

Context

- **Five Michiganders die every day** from opioid overdoses, on average
- Federal grants support many response efforts but **gaps remain**
 - Powerful **data** available – but do not trigger immediate response
 - Services lacking at **high-risk moments**: immediately after overdose or treatment

Response

- **Use data to drive outreach and connect clients to services**
- **Fill gaps in continuum of care**

Expected impact

- **Fewer deaths**
- **More sustainable recovery for clients**

Behavioral Health

Context

- **Current system must evolve** to achieve whole-person care and improve outcomes, thoughtful redesign and staffing
- **Shortage of behavioral health professionals** like psychiatrists in many areas
- **1 in 7 women experience postpartum depression** or anxiety
- **Families struggle** to navigate multiple systems of care **to access autism services**
- **Flexible funds have significantly decreased** for CMHs
- **Overtime for state psychiatric hospital direct care workers** has stretched staff

Response

- Improve oversight and invest in developing new **Specialty Integrated Medicaid Plans**
- **Increase residency slots and retain residents in psychiatry** in underserved communities
- Train **home visitors to screen for trauma/mental health**
- **Provide autism navigators** to help families
- **Provide a \$5M increase in CMH** non-Medicaid funds
- **Boost staff levels** at state psychiatric hospitals

Expected impact

- System that **increases quality and access, coordinates care**, and is easier to navigate
- More psychiatrists and BH providers, **reducing wait lists and drive time** for patients
- More **new moms getting the mental health care** they need in the community
- **Easier access to autism services** for families
- Ability to **serve more Michiganders in crisis**
- **Better patient outcomes** at state psychiatric hospitals

\$5M Gross

\$2.5M GF

Better Value in Medicaid

Context

- While we have many strengths, **Michigan can invest in Medicaid innovation**, collaborating with **health plans and providers** to:
 - Leverage social determinants of health interventions
 - Deliver high-value care
 - Serve all populations effectively

Response

- **Fund a Medicaid transformation initiative, as states like Ohio have done**

Expected impact

- **Improved quality and beneficiary experience**
- **Long-term cost savings for the state**

Other Investments

Investment	Description	Gross (\$M)	GF (\$M)
Medicaid Private Duty Nursing Rate Increases	Initiative to increase the number and quality of PDN service providers to address access to care concerns	8.7	3.1
Dental Screenings and Oral Health Assessment Program	Oral health assessment program for children entering public school kindergarten, including assessments free of charge to children who do not have dental coverage	2.0	2.0
First Responder and Public Safety Staff Mental Health	Program to support first responders and correctional officers suffering from post-traumatic stress syndrome and other mental health conditions	2.5	2.5

Significant Reductions

Notable specific reductions

- **Single Preferred Drug List:** Require Managed Care Plans to cover the drugs where FFS Medicaid receives the largest rebate from federal and state contracts. **\$182.9M Gross, \$45.8M GF**
- **Nursing rate facility redesign:** Shift away from cost-based reimbursement to a patient and/or outcomes-based approach in nursing facility care. **\$84.3M Gross, \$30.3M GF**
- **Third party liability:** Reduce rates to Medicaid Managed Care Plans to incentivize more aggressive pursuit of Medicaid program recoupment of uncollected third-party liabilities. **\$49.7M Gross, \$17.9M GF**

Summary of all reductions

Reduction Category	GF/GP (\$M)	Gross (\$M)
Administrative Efficiencies	(22.3)	(60.0)
Financing Shifts/Special Financing	(23.2)	352.4
Policy Changes	(76.9)	(269.5)
Restore to Prior Year Funding	(9.3)	(4.2)
Savings Generated from Federal or State Law Changes	(2.4)	(4.9)
Total Departmentwide FY21 Proposed Reductions	(133,993.5)	13,814.8



QUESTIONS & DISCUSSION