

Protecting Michigan's Most Vulnerable Citizens

I oppose the drastic changes laid out in Section 298 of the Health & Human Services FY17 budget:

➤ ***Public management and oversight of Michigan's behavioral health system provides the BEST QUALITY OF CARE and ensures the MOST money is spent on consumers' needs.***

- A publicly operated system reinvests resources back into services, not profits and have a long history of risk seeking – the aggressive seeking out and serving the needs of vulnerable community members with complex cross-system needs.
- For-Profit entities by law are focused on maximizing its value to its shareholders and have a business model which avoids risk.
- Minimizing administrative costs, ensuring that the greatest share of the healthcare dollar goes to serving consumers.
 - Michigan's PIHP system has on average an overhead cost of 6%, giving them a medical loss ratio of 94%, which is significantly better than a for-profit entity.
 - **Section 298 would result in the LARGEST cut to behavioral health services ever in Michigan – \$300 million (difference between PIHP overhead 6% vs. health plan overhead 15-17%)**
- The management or delivery of public behavioral health services by private companies simply to save money has not been effective.
 - Some states have even seen increased costs and inefficiencies through policies that seek to limit access to care – prior authorization and fail first practices on essential medications used in the treatment of serious mental illnesses have had devastating effects on individuals and families.
 - Providers have been forced to cut services or leave the system, weakening the local network.

- States that have saved money through privatizing their behavioral health care have done so by moving from a fee-for-service model to a managed care model.
 - Michigan’s public behavioral health care system transitioned to managed care almost 20 years ago, which would significantly reduce any promised savings.

Section 298 WILL NOT better integrate care:

➤ ***Integrated funding does NOT equal integrated care.***

- Meaningful health care integration and coordination take place “on the ground” - at the point where the patient receives care.
- Consumers served in Michigan’s behavioral healthcare system have needs outside of traditional healthcare, which make it difficult for them to fit into a physical healthcare model – housing, transportation, employment.
 - Promoting a continued focus on the social determinants of health.
- Most states that have moved their behavioral health services under physical health care managers only moved small sub populations whose needs were more mild/moderate because they are less expensive to serve and more closely fit the traditional health care model.
 - Michigan’s current mild/moderate behavioral health carved-in benefit managed by the Medicaid health plans often under performs when compared to the publicly managed behavioral health services.
 - In many places, health plans have a long track record of failing to provide necessary access to services which exacerbates individuals’ conditions forcing them into more costly settings for care.
 - Health plans do not have a history of serving people whose needs are outside the traditional medical realm – consumers, families, and advocates fear that care will be denied and reduced due to lack of understanding.

Section 298 puts my local public safety net at risk:

➤ ***Maintaining the public safety net is critical for Michigan’s most vulnerable.***

- Michigan’s behavioral healthcare system is interwoven into the fabric of the communities, in which they work, maintaining a close working relationship with education, law enforcement, judiciary, housing and homeless services providers.
 - Local CMHs are public entities, either an official county agency or an authority, which is a public governmental entity separate from the county or counties that establish it. PIHP boards are made up of appointees from the CMHs within their respective regions.
- Private entities do not have the same obligations to the community as the public behavioral health system.
 - There is no public oversight or accountability of the resources and no connection to the county safety net.

Action Steps

- 1.) **CONTACT YOUR STATE REPRESENTATIVE(S) AND SENATOR(S) and TELL THEM TO REMOVE SECTION 298 FROM THE HEALTH & HUMAN SERVICES FY17 BUDGET.**
 - Section 298 will reduce services for Michigan’s most vulnerable citizens through high overhead costs/profits from insurance companies.
- 2.) **CONTACT STAFF OFFICIALS IN CHARGE OF THIS PROPOSED CHANGE and LET THEM KNOW THIS PROPOSAL WILL HARM MICHIGAN'S MOST VULNERABLE CITIZENS:**
 - MDHHS Director Nick Lyon ~ Phone: 517-373-3626 ~ Email: LyonN2@michigan.gov
 - MDHHS Medicaid Director Chris Priest ~ Phone: 517-241-7882 ~ Email: PriestC1@michigan.gov
- 3.) **IF YOUR LEGISLATOR IS LISTED BELOW AND SITS ON THE HOUSE OR SENATE HEALTH AND HUMAN SERVICES APPROPRIATIONS COMMITTEE PLEASE CONTACT THEM MULTIPLE TIMES (AND HAVE YOUR MEMBERS CONTACT THEM):**

<u>Legislator</u>	<u>County</u>	<u>Phone</u>	<u>Email</u>
<i>Senator Jim Marleau</i>	Oakland	517-373-2417	jimmarleau@senate.michigan.gov senpmacgregor@senate.michigan.gov
Senator Pete MacGregor	Kent	517-373-0797	y
Senator John Proos	Berrien	517-373-6960	senjproos@senate.michigan.gov

Senator Mike Shirkey	Jackson	517-373-5932	senmshirkey@senate.michigan.gov
Senator Goeff Hansen	Muskegon	517-373-1635	senghansen@senate.michigan.gov
Senator Vince Gregory	Oakland	517-373-7888	senvgregory@senate.michigan.gov
Senator Curtis Hertel	Ingahm	517-373-1734	senchertel@senate.michigan.gov
Rep. Rob VerHeulen	Kent	517-373-8900	robverheulen@house.mi.gov
Rep. Earl Poleski	Jackson	517-373-1795	earlpoleski@house.mi.gov
Rep. John Bizon	Calhoun	517-373-0555	drjohnbizon@house.mi.gov
Rep. Michael McCready	Oakland	517-373-8670	mikemccready@house.mi.gov
Rep. Jon Bumstead	Newaygo	517-373-7317	jonbumstead@house.mi.gov
Rep. Tim Kelly	Saginaw	517-373-0837	timkelly@house.mi.gov
Rep. Chris Afendoulis	Kent	517-373-0218	chrisafendoulis@house.mi.gov
Rep. Edward Canfield	Huron	517-373-0476	edwardcanfield@house.mi.gov
Rep. Laura Cox	Wayne	517-373-3920	lauracox@house.mi.gov
Rep. Larry Inman	Grand Traverse	517-373-1766	larryinman@house.mi.gov
Rep. Harvey Santana	Wayne	517-373-6990	harveysantana@house.mi.gov
Rep. Brian Banks	Wayne	517-373-0154	brianbanks@house.mi.gov
Rep. Henry Yanez	Macomb	517-373-2275	henryyanez@house.mi.gov
Rep. Pam Faris	Genesee	517-373-7557	pamfaris@house.mi.gov
Rep. Kristy Pagan	Wayne	517-373-2575	kristypagan@house.mi.gov