

Philosophy - We All Agree:

- People should have treatment services which are medically necessary & appropriate
- In order to recover, people need Behavioral Health treatment AND better overall health, housing, employment, social opportunities...
- The Mental Health Act was focused on the right philosophy – community-centered treatment – but has been underfunded
- Financial predictability & sustainability is key
- Locally generated resources should be available for local priorities
- Common sense government seeks to reduce/eliminate unfunded mandates and arduous regulation

The Mental Health Budget:

- Emphasizes direct services to individuals with severe mental illness
- Continues the efficient & effective operation of six regional psychiatric hospitals
- Protects community medication subsidy & continues to serve approximately 15,000 people
- Enables GRF non-Medicaid community subsidy to be used to address local priorities

Major Reforms Include:

- Medicaid responsibility is shifted to the State of Ohio (funding & management)
- Cost containment strategies for Medicaid based on data
- Revisions to Medicaid community mental health benefit package in FY 13 in order to address gaps & better coordinate physical & behavioral health care
- Financing for hospitals, Medicaid and community non-Medicaid is supported by a new line item structure
- The Department of Mental Health takes responsibility for the management of the RSS housing subsidy program and the licensure of adult care facilities, bringing these programs under management of one agency to better coordinate
- Block Grant use will be reformed in order to emphasize direct services

Department of Mental Health Funding

	FY 11	FY 12	Change	FY 13	Change
GRF	\$461.6	\$482.1	4.4%	\$296.3	-38.5%
GRF – incl. Medicaid approp. to JFS	\$461.6	\$482.1	4.4%	\$459.8	-4.6%
All Funds	\$1,196.5	\$1,076.5	-10.0%	\$544.6	-49.4%
All funds - incl. Medicaid approp. to JFS	\$1,196.5	\$1,076.5	-10.0%	\$1,011.7	-6.0%

Funds in millions

Numbers exclude dollars from extension of enhanced FMAP

In FY 13, appropriation of \$163.5 million GRF and \$303.6 million federal share will appear in the ODJFS budget instead of the DMH budget. The second row of this table demonstrates the year-over-year funding change including those resources.

Medicaid Cost Containment – Short Term

- To take effect July 1, 2011
- Based on long-term research in conjunction with provider, consumer & board representatives
 - Research was collaborative, but no consensus reached
- Data-informed policy decisions
- Preferable strategy compared to across the board cuts
- Experience of other states used as resource

Medicaid Cost Containment – Short Term, 2

- Cost containment strategies for Medicaid based on data:
 - service utilization limits;
 - payment modifications; and
 - parameters for community mental health benefits for long term nursing facility stays
- Children entitled to all medically necessary services per Medicaid EPSDT requirements
- Department continues to incorporate feedback from interested parties

Medicaid Cost Containment – Long Term

- Physical & behavioral health integration leads to better outcomes for individuals and less spending by taxpayers
- Care coordination opportunities led by Office of Health Transformation for planned implementation in FY 13
- Core focus populations: dual Medicare/Medicaid enrollees and individuals with severe & persistent mental illness
- Community Medicaid behavioral health services will be redesigned in conjunction with this project

Funding Proposal for FY 12/13

- We are proposing three separate ODMH line items for FY 12 to support the goals of Medicaid elevation and the development of an integrated approach for behavioral and physical health care
 - Replace the 408 line item with the following line items:
 - 501 – Used to pay the state’s Medicaid match obligation in FY 12
 - 412 – Used to pay for state hospital operations and any related commitment costs for alternatives to hospital care
 - 505 – Used to allocate non-Medicaid funds, previously associated with 404, 408, and 505

Funding Proposal, 2

- Medicaid Line (501)
 - ODMH will allocate and commit sufficient dollars to meet each Board's Medicaid match obligation
 - This will include cost containment rules to focus on high priority areas and reduce overall costs
 - In FY 12, Boards will reimburse providers and process claims for Medicaid through MACSIS, as they have done in the past
 - Boards will be held harmless from the effects of Medicaid match to their other revenue sources, e.g., levy, non-Medicaid, block grant
 - This line item will be used in FY 12 only; in FY 13, the appropriation shifts to JFS ALI 600525
 - ODJFS will pay providers directly for Medicaid services in FY 13.

Funding Proposal, 3

- Hospital Operations (412)
 - This line item is intended to fund the state hospital operations for both forensic and civil care
 - In FY 12, the portion of hospital costs associated with Board bed days will be distributed to Boards for purchase of bed days from state hospitals or used for alternative care. Boards would still be responsible for civil and billable forensic bed days at a per diem charge
 - Any Board savings due to actual bed days below planned use will be retained by the Board
 - For FY 13, an improved approach to inpatient bed day planning that is regionally based will be developed with input from stakeholders.

Funding Proposal, 4

- Community Services (505)
 - GRF subsidy intended to focus on non-Medicaid community services & supports
 - Allocation will be designed to bring each board area as close to FY 11 non-Medicaid GRF support as possible
 - Use of funds is subject to discretion of the individual board
 - Priorities encouraged by DMH include:
 - Emergency services and crisis intervention
 - Housing
 - Children services
 - Support for consumers returning to the community from institutional settings

Funding for Children

- 335-404 – Behavioral Health Service for Children line has been eliminated
- ODMH's primary objective during this time of system transformation is to invest in local board non-Medicaid resources.
- Funding for children remains a priority for the department, as identified in the agency's priorities for the 335-505 line
- This aggregation of funding is the best use of resources to allow communities maximum flexibility. Local boards will be able to invest in proven programs for kids.
- ODMH will move forward with children's initiatives and prioritize federal block grant resources for these services. Initiatives like the Pediatric Psychiatry Network will continue as a resource.

Residential State Supplement Program/ Licensure of Adult Care Facilities

- The RSS program serves as an important subsidy program which supplements the income of a person who is aged, blind or disabled.
- Many RSS recipients live in adult care facilities.
- Currently, these programs cross three separate agencies and the population would be better served if the services were centralized and coordinated.
- ODMH is the logical choice because 75% of enrollees are under age 60 with a primary diagnosis of mental illness.

ODMH Budget Reductions

- 335419 Community Medication Subsidy
 - -\$1,991,960 or -10%
 - Due to the increased use of generic medications at a lower cost, we expect to be able to serve the same number of people each year in the upcoming biennium as we currently do – more than 15,000.
- 333321 Central Office Administration
 - -\$2,259,266 or -6.6%
 - ODMH will take on two additional programs – RSS administration and ACF licensure.
- 333416 Research and Evaluation
 - -\$160,738 FY 12 or -27.6%
 - -\$160,464 FY 13 (from FY 11 level)

ODMH Budget Reductions, 2

- 335405 Family and Children First
 - -\$232,172 or -7.7%
- 333402 Resident Trainees
 - -\$105,920 or -10%
- 333403 Pre-Admission Screening
 - -\$108,026 or -10%
- 334506 Court Costs
 - -\$129,824 or -10%

Cleveland Hospital Consolidation

- Age and condition of Cleveland building are problematic. Must act before we face a major structural or utility system breakdown.
- Intend to consolidate the patients and staff to the Northfield campus by June 30, 2011.
- This plan uses resources already available only 15 miles away and will save the state money, in the best interests of the county, region and state as a whole. What is most important is that essential services are preserved around the state.
- ODMH will realize at least \$4 million in savings on overhead and personnel costs by June 30, 2012, by operating at a single site after July 1, 2011.

Forensic Issues

- Recommendations in the Workgroup's final report address containing hospital costs, improving workforce expertise and collaboration, and supporting appropriate treatment levels to this population.
- One key strategy is to give courts an option to divert nonviolent, misdemeanor offenders to more appropriate civil inpatient commitment or community treatment.
 - This could avoid the situation of the non-violent misdemeanor offender spending an average of 90 days in court-ordered treatment in an acute hospital setting at more than \$500 a day just to have his or her case dismissed.
 - The civil inpatient commitment, if appropriate, would mean a 12-14 day inpatient stay and then linkage to community services.