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Need for Increased MH Funding

PA House Human Services Committee

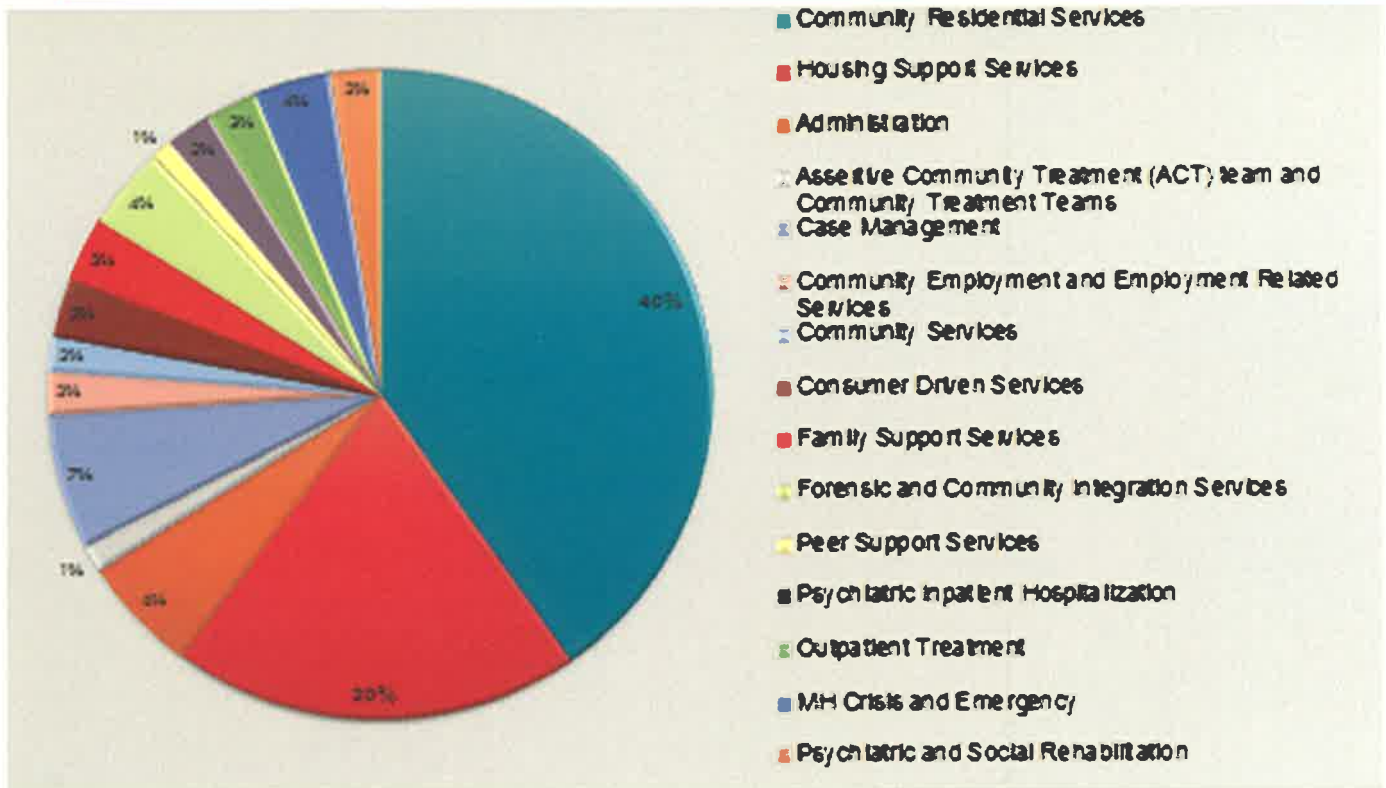
February 4, 2020

Background

- Pennsylvania counties hold responsibility for specific mental health functions described in the Community Mental Health and Intellectual Disability Act of 1966. At the time the Act was written more than 35,100 individuals resided in the civil state hospital beds across Pennsylvania. It is amazing to see how far we have progressed in supporting individuals to live a life outside of institutions. Today there are only 1,025 people being served in state hospital civil section. The provision of supports and services for individuals with complex mental health needs has largely shifted to the counties.
- There are two different types of mental health funding that the State provides to counties: HealthChoices which is the state and federal Medicaid funding stream and then what is often referred to as “county funding” which is the allocation of mental health dollars provided by the state either for Block Grant Counties as a portion of the Human Services Block Grant Funds or as the county’s Mental Health Allocation for non-block grant counties.
- HealthChoices pays for clinical services at various levels such as inpatient, outpatient, crisis and case management. Services are based on medical necessity criteria.
- There continues to be a chasm in what private insurance pays for and what falls to the public mental health system to cover.
- County MH funding is used to pay for:

- Individuals who are not eligible for insurance (6% of PA population)
- Services that assist in engaging individuals in applying for insurance (administrative case management, outreach to homeless individuals)
- Services and supports that are not covered by HealthChoices; Residential, and Employment services for example
- Services that Medicare and private insurances do not cover such as Case Management, Assertive Community Treatment Teams, Psychiatric Rehabilitation and Crisis Intervention
- In Montgomery County the greatest portion--60%--of the mental health dollars in the Human Services Block Grant are allocated to Housing and Residential services.

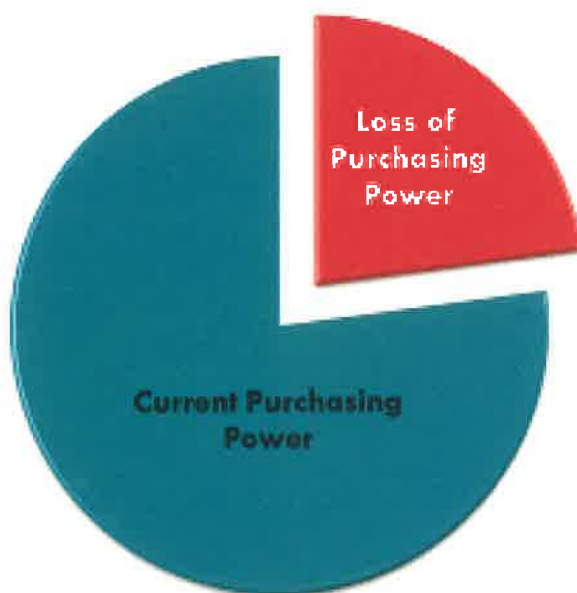
HSBG Funded MH Services in Montgomery County



Lack of COLA's

- One of the biggest threats to the county mental health system is that there has not been a true Cost of Living Adjustment from the State on the mental health dollars since FY 2007/2008.
- To give a concrete example:
 - \$1,000,000 in July of 2007 is equivalent to \$1,231,744 in July 2019 (utilizing the [US Department of Labor CPI Inflation calculator](#)).
 - Counties have **lost \$231,744 of purchasing power for every \$1,000,000** on their mental health allocation.
 - This is a 23% reduction. For **Montgomery County**, this translates to a **nearly \$7,000,000 loss of purchasing power this year alone**.

Impact of lack of COLAs



Counties lost more than 23% of purchasing power this year, based on a comparison to the same mental health funds in 2007/2008 – the last year a mental health COLA was received. Lack of COLAs undermines the quantity and quality of services for some of the most vulnerable residents.

- Counties have ended programs
- Agencies have ended programs
- Agencies have had to reduce the number or qualifications of staff
- Reduction in Continuum of Supports that support SDOH
- There is a demand to increase access to service, but as agencies increase access to outpatient care, they increase their deficit. The majority of providers have audited financial records demonstrating that they lose money for every person that they serve in outpatient treatment.



FY 2012/2013 Budget Cuts

- In addition to the lack of Cost of Living increases, counties were faced with a 10% cut in 2012. This was an earthquake from which the mental system has not fully

recovered. In Montgomery County this amounted to a \$3,000,000 cut. The impact to programs was drastic that year, and compounded with the lack of COLA's, has resulted in ongoing aftershocks to our system and our communities.

Services are Struggling Across the Board

- Counties have had to close programs because of insufficient funding or because programs experience quality issues relative to financial struggles. It is challenging to have to close one program in order to be able to sustain another. Agencies have to cut staff or decrease the quality of staff they hire to make ends meet. For example, a program may have first been developed with two degreed professionals working the day shift, but now the program can only afford one high school graduate to serve the same complex individuals.
- Providers are beginning to give notice on their contracts.
- Montgomery County has had a significant loss to its services system since the last time there was a COLA in 2007. We have lost:
 - 5 Vocational Programs
 - 2 Moderate Care CRR Residential Programs
 - 1 Bridge Housing Program
 - 2 Supported Housing Program
 - 1 Mobile Co-Occurring MH/D&A Peer Support Service
 - 4 Peer Resource Centers
 - 1 Compeer Volunteer Matching program
 - 4 Clubhouse Psychiatric Rehabilitation-Based Programs
 - 1 Mobile Psychiatric Rehabilitation-Based program

Approximately 665 individuals who experience serious mental illness were directly impacted by the program closures. Hundreds of others have been impacted by not having access to these resources after they closed.

Reinvestment and CHIPPs are not the answer

- Two resources that have brought financial opportunity to the counties are HealthChoices Reinvestment and CHIPPs--Community Hospital Integration Project Programs dollars.
- Unlike for the physical HealthChoices where the managed care providers retain all of the savings in the managed care monies, through Behavioral HealthChoices the counties can use a portion of those savings to invest in the needs of the individuals served.

- The challenge in Reinvestment is that it is “one-time” money, and while it is beneficial for startup, it cannot be used for all types of programs and the dollars are not annualized.
- Reinvestment is also a resource that is not available to all counties. State set HealthChoices capitation rates in combination with State required program changes have not afforded Montgomery County the opportunity to have reinvestment funds for the last 2 years.

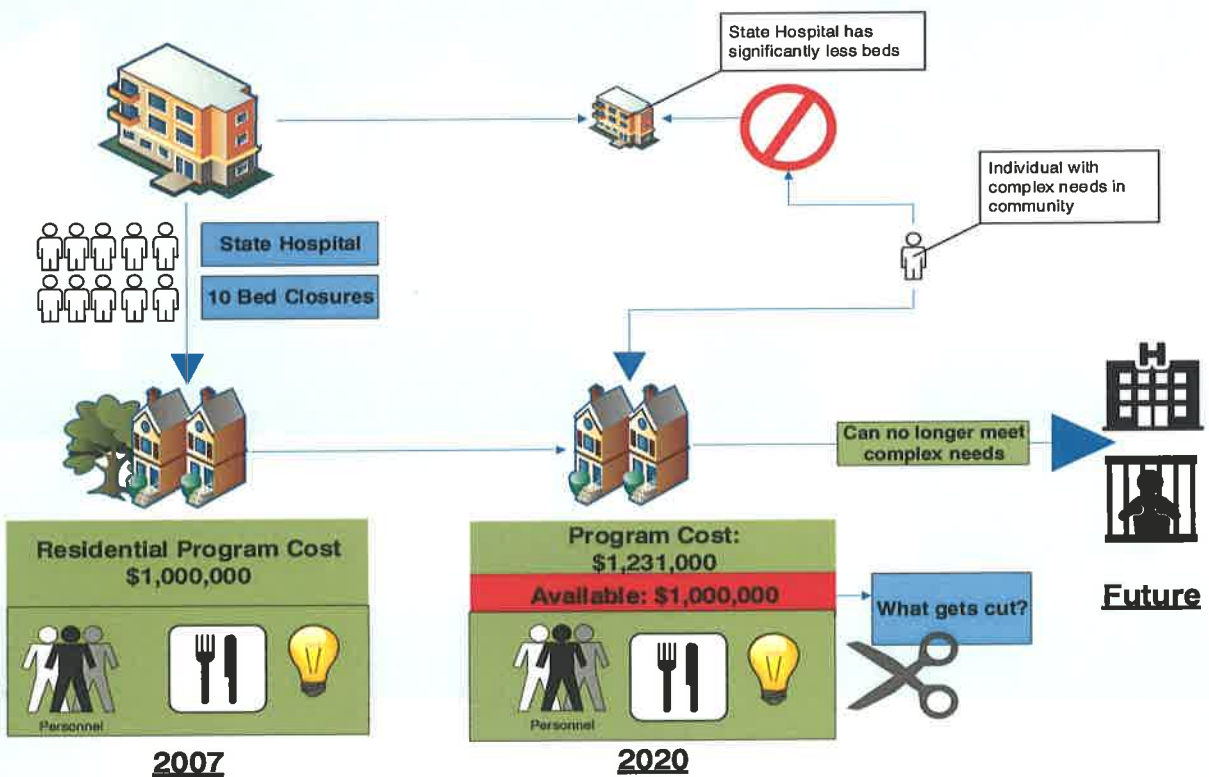
The Impact on CHIPPs

- CHIPPs refers to the dollars that the State provides to counties for the closure of a county’s dedicated state hospital beds so that those individuals can be served in the community.
- CHIPPs has been a wonderful initiative that began in the 90’s that has enabled thousands of individuals to make amazing strides in their recovery. No one who can be served in the community should reside in an institution.
- The challenge with CHIPPs is that it can look like the budget is increasing, but over time programs that are set up for individuals who have the most intensive needs begin to struggle because the programs are not funded to keep up with their costs.
- I’d like to talk through an example of what might happen to a CHIPPs program. (Could provide graphic below for this discussion)
 - So, let’s say back in 2007 a county worked with the state to close 10 state hospital beds and for the sake of round numbers the state provided \$100,000 per person so that the county could serve them. The county could then develop a 10-person residential program which cost \$1,000,000. The biggest cost of course is the staffing required to support those individuals with complex needs
 - Now let’s fast forward to 2020. As I noted earlier the \$1,000,000 with which the program started would now need to be \$1,231,744 to have the ability to sustain the amount of staff and goods needed.
 - The choice is for either the program to make cuts to staffing or the quality of goods it relies upon. Eventually it most likely must do both.
 - OR The County could cut dollars out of another program to support the CHIPPs program, but those programs were not receiving COLAs either.
 - Often what happens is that salaries do not increase, leading staff who are working with challenging behaviors to turn over. This also increases training needs or requires programs to purchase temp staff to cover shifts. All of this is very disruptive to the program residents and their mental health.
 - Also now let’s say an individual in the community develops complex needs and may have in the past been a candidate for state hospital placement.

That individual should be able to be served by the type of program that was developed in 2007, but it may be that the program does not have the same level of staff and support that it did when it was first developed, leading that individual to struggle in the community. These are the folks that we see ending up in our emergency departments or worse yet our jails.

- Providers are shying away from developing new CHIPPS programs for individuals with complex needs. During the closing of the Norristown State Hospital civil section Montgomery County had only one provider that submitted a bid for an intensive residential program. In another county there were no bids on the first RFP and the county had to reissue it.

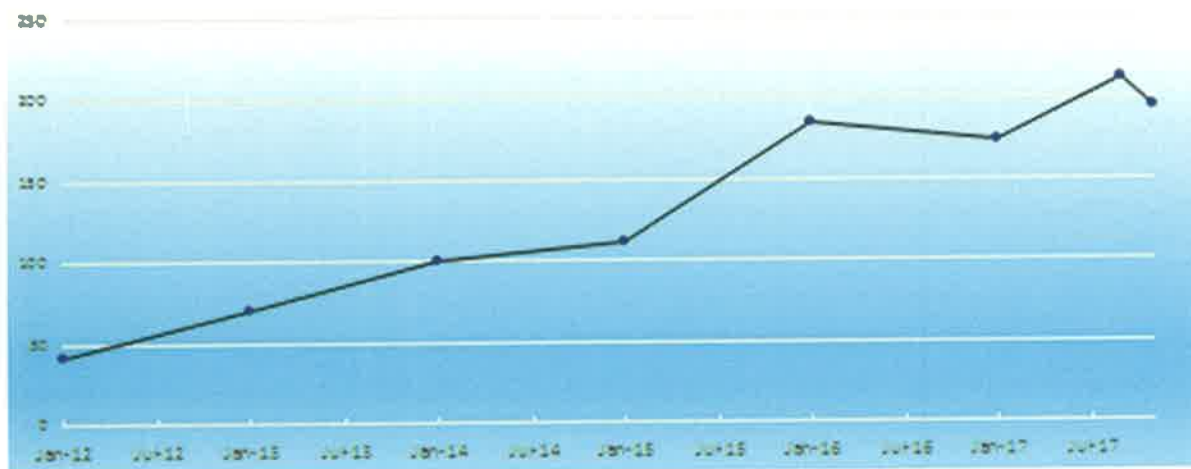
Example of Impact on CHIPPS program



Costs Don't Disappear They Shift

- **The Costs Don't Disappear, They Shift...Sometimes In Dollars, Sometimes in Freedom, Sometimes in Lives**
 - Suicide rates are increasing nationally and all but two PA counties have rates that are higher than the national rates.
 - More and more hospitals ED's are raising concerns about individuals, especially children, not being able to access hospital beds.
 - More individuals who experience mental health challenges are entering our jails and remaining there for longer than the average inmate and many times for minor crimes.
 - 2012 through 2017 saw a crisis here in the state of Pennsylvania in regard to both the number of individuals who were being referred to the state forensic treatment centers as well as the amount of time they waited in jail to be restored to competency so that they could go to trial.

Individuals on Norristown State's Regional waitlist



Social Determinants of Health

- Evidence and understanding has been building in the healthcare field that promoting other factors in a person's life beyond just medical services can play a significant role in impacting their overall health and decreasing medical costs.
- The county mental health programs have been in tune with this notion for many years as they have worked from a recovery orientation that looks to build a life for individuals so that medical services become a resource and not a way of life for individuals with serious mental illness.
- The County Mental Health dollars keep individuals housed; support them in getting employed and to build social connections that combat the stigma and loneliness that we are learning can be more negatively impactful on health outcomes than smoking.
- These dollars need to be increased so that counties can do better for their residents such as
 - Increasing Student Assistance Programs and Prevention work with Schools, especially in the areas of social and emotional learning. This promotes understanding about trauma and adverse childhood experiences and helps to build resilience in our young children.
 - Diverting individuals with mental illness from entering the doors of our jails by working with police and the courts on diversion programs. Partnering with the jails on quickly identifying individuals and reentry planning so that they do not return to our jails.
 - Supporting our Veterans who are in crisis in our communities
 - Collaborating with our housing partners to work to eliminate homelessness for persons with mental illness
 - Increasing employment opportunities for people who experience mental health challenges.

Tough Choices

- Those types of interventions and others will potentially never move forward if the County Mental Health dollars do not begin to keep up with costs, and very tough choices will need to continue to be made.
- Mental Health systems in counties will continue to shrink back toward only providing what was mandated over half a century ago, before so much of what we know works today. The system will move back toward one that promotes patienthood and ongoing reliance on medical professionals while ignoring important factors that promote health.

What's Needed

- For the 2020 state budget, CCAP seeks a minimum increase of \$42 million to the mental health funding base line to shore up existing services and capacity needs. This will help counties to ensure that the safety net of services already in place is strong and sustainable, prior to adding additional programs and services. Moreover, counties seek a long-term commitment to investing in the mental health base over the coming years, recommending a minimum 3% annual increase to reduce the current burden on county budgets and local property taxpayers and ensure that there is a sustainable investment in the years ahead that will help counties, the General Assembly and the Administration to meet common goals of helping Pennsylvanians get the supports and services they need through preventative efforts and expanded programs.

In Closing

- I would like to highlight a wonderful program in Montgomery County that was developed in partnership between the Office of Mental Health and the Community College....
- The “Partnership on Work Enrichment and Readiness” better known as the POWER Program supports individuals with mental health and co-occurring issues to reach education and career goals through a 14 week, two-credit career and college success skills course.
- Graduates have continued on with their education at the community college, have entered the workforce and four year degree programs.
- I am forever moved by listening to the students’ speeches at the POWER graduation as they highlight the challenges and at times the atrocities they have overcome to stand there proud and excited on that night.
- I would like to share quotes from three of our POWER Grads with you:
- One graduate described how he had been severely depressed and attempted suicide through a drug overdose: "Six months ago, I would not have imagined I would be standing here giving a speech, graduating or even being alive. The POWER Program staff instilled a positive attitude in me, and I found myself growing stronger and excelling in school. I realize now there are many things I can do. I have gained so much confidence. This program is truly wonderful."
- Another young gentleman declared “January marks 10 years of sobriety for me. I am a full-time student here with a 3.7 GPA. After I get my associate’s degree, I plan to go to Temple next fall. I want the American dream—a job, a house and kids.”

- And finally another graduate eloquently stated: “People in recovery often feel defeated, like they’re in a room of darkness and despair with no direction. The POWER program gives hope to so many people – people who are ready to give up, but then they find out there is a future.”

We are hearing about the growing mental health need in our state and our counties from so many different areas, family members, schools, emergency departments, churches, homeless providers, our jails and even from legislators who contact our county offices. I ask for your consideration in stopping the mental health dollars from shrinking so that counties no longer have to continue to eliminate programs and services. We cannot sustain, let alone meet growing needs, if we continue to operate with 23% less purchasing power than we had in 2007. Programs will continue to get cut.

My hope is that I would never have to explain to an 18 year old with mental health challenges why we no longer were able to provide the POWER Program because we had to move those dollars to sustain a residential program.