Office of Health Transformation

Rebuild Community Behavioral Health System Capacity

Background:

When Governor Kasich took office, Ohio's publicly funded system of mental health and addiction services was in turmoil. Significant cuts in state support for mental health and addiction services paired with increased demand for services in a period of economic recession significantly limited access to individuals in need of treatment. Governor Kasich's Jobs Budget increased state funding for mental health by 5.7 percent ($26.8 million) over two years, reversing a downward trend since 2008 in which state funding was reduced nearly 20 percent ($112.4 million). This allowed the state to hold all-funds spending for mental health close to 2011 levels, which were inflated that year with $32.6 million in one-time federal stimulus funds.

During the past two years, Governor Kasich has taken several bold steps to stabilize Ohio's behavioral health funding and services structure:

- ***Free local systems from Medicaid match responsibilities.*** In the Governor's first budget, the state took responsibility for the non-federal share of Medicaid costs for mental health and addiction services. This action created a more sustainable financial future for local systems, some of which had been forced to eliminate most or all services that were not Medicaid-related in order to pay the growing cost of Medicaid within their community. As a result, local Alcohol, Drug Addiction and Mental Health (ADAMH) boards are able to direct any future resources which may become available through state appropriation or local levies to critical unmet needs, including access to housing, family respite, and peer or employment supports.

- ***Create Medicaid health homes for people with severe mental illness.*** Ohioans with mental illness represent about 10 percent of Ohio's Medicaid population but 26 percent of all Medicaid spending. In addition to serious and persistent mental illness (SPMI), these individuals commonly experience serious physical health conditions related to mental illness. Governor Kasich's first budget authorized Ohio Medicaid to design a person-centered system of care—called a "health home"—to improve care coordination for the SPMI population. Medicaid health homes aim to break down the silos that exist between physical health care benefits and providers and behavioral health services and funding streams. This is accomplished by offering comprehensive medical, behavioral, long-term care and social services that are timely, of high quality, integrated and coordinated by a core team of multidisciplinary professionals. Approximately 14,000 Ohioans are enrolled in the first phase of health home service availability.

- ***Targeted investments to restore community mental health system capacity.*** Governor Kasich has provided seed money to encourage local communities to pool their resources to address "hot spots" they have in common, and develop or restore services that would have been impossible if a single community acted alone. Examples include procuring access to telemedicine technology for psychiatry or other services that are in short supply locally, transitional housing for young adults, and additional crisis beds that can be shared among numerous county board jurisdictions to reduce the need for inpatient hospitalization whenever possible.

- ***Consolidate mental health and addiction services.*** During fiscal year 2012, the Ohio Department of Mental Health (ODMH) and the Ohio Department of Alcohol and Drug Addiction Services (ODADAS) began to share specific administrative resources and eliminate duplication across departmental boundaries. The success of these early efforts resulted in Governor Kasich's decision to consolidate the two agencies effective July 2013. The administrative savings that result from consolidation ($1.5 million annually) will be reinvested in community services for individuals with mental illness and/or addiction disorders. (See also, "Consolidate mental health and addiction services.")

Executive Budget Proposal and Impact:

The Executive Budget includes the most significant changes in community mental health and addiction services in decades. After years of erosion, it represents a genuine opportunity to restore prevention, early intervention and treatment capacity. The result has been a paradigm shift for Ohio's system of behavioral health system that will enable greater integration with physical health care and transform care to have an outcome based, person-centered focus. Examples of this important shift include:

REBUILD COMMUNITY BEHAVIORAL HEALTH CAPACITY

- ***Expand Medicaid and redirect existing resources to address recovery support gaps.*** In Ohio, the state and 53 local boards partner to fund the safety net system for addiction and mental health services. This safety net exists for a wide variety of Ohioans, including but not limited to: childless adults who are struggling with substance use challenges that complicate their ability to work; people who have experienced significant trauma in childhood but, as adults, lack health care coverage necessary to access treatment; parents in families between 90 percent and 138 percent of the federal poverty level; and adults or children of any age who live with mental illness and/or addiction and lack access to treatment. Today, services for these individuals are funded 100 percent by state and local resources *to the extent that resources are available.* In many Ohio communities, basic behavioral health needs are unaddressed because there is a lack of funding and system capacity. Waiting lists are commonly weeks or months long, leading to crisis situations for individuals and families that could otherwise be avoided. People

in rural areas may have to travel hours in order to access basic services. This safety net is fragile at best, and the need for a sustainability plan has never been greater.

Governor Kasich's decision to expand Medicaid will have a direct benefit on Ohio's behavioral health system. Most uninsured Ohioans who receive services from county boards of mental health and addiction services will become eligible for Medicaid under the expansion. Once these newly eligible Ohioans are enrolled, Medicaid coverage for clinical services[1] will free up an estimated $70 million annually statewide in county levy or state subsidy dollars – funds previously spent on these same services but without Medicaid or any other payer source. Now these funds can be spent on other recovery-oriented priorities such as housing and employment supports. Currently in most Ohio communities, there are insufficient resources to meet these basic needs, which are not part of the Medicaid benefit. By expanding Medicaid, local communities will, over time, be able to redirect existing state subsidy and local resources (as available) to fill gaps in the local service continuum, reduce waiting lists, place a greater emphasis on wellness and prevention, and improve overall health outcomes within the community.

- ***Make further targeted investments in community mental health.*** As described earlier, the consolidation of ODADAS and ODMH is anticipated to save Ohio taxpayers $1.5 million annually, all of which is being redirected to a new Community Innovations program. The new Ohio Department of Mental Health and Addiction Services (MHAS) will use these resources to invest in targeted demonstrations that collaborate with partners and result in savings for other parts of government. Over the next two years, MHAS will focus on partnerships with the criminal justice system. Since April 2012, the MHAS and the Ohio Department of Rehabilitation and Correction have been meeting with the Buckeye State Sheriffs Association to develop a shared work plan to assist inmates with mental health and addiction challenges and reduce costs in jails. As a result of this work, specific demonstrations in 2014 and 2015 will provide inmate assessments, connection with effective treatment, and meaningful planning in advance of release to reduce recidivism and help support safety within Ohio's jails. It is anticipated that these efforts will improve client outcomes and help local jails to manage their health care costs.

- ***Finalize the consolidation of mental health and addiction services.*** Statutory changes will formally complete the consolidation of mental health and addiction services. As of July 1, 2013, the new department will promote a combined system of care that is centered on the best outcomes for the individual who needs care. (See also, "Consolidate mental health and addiction services.")

[1] Clinical services included within Ohio's community Medicaid behavioral health benefit include assessment, individual/group counseling, ambulatory detoxification, crisis intervention, intensive outpatient, partial hospitalization, pharmacologic management, laboratory urinalysis and several other services.

RECOVERY REQUIRES COMMUNITY

- ***Assist nursing home residents who want to move back into the community.*** The Executive Budget includes several initiatives – called *Recovery Requires Community* – to assist nursing home residents under age 60 who have a primary diagnosis related to mental illness who want to move back into the community. On average, Ohio Medicaid spends $102,500 per year for Medicaid services in a nursing home for an individual under age 60 who is reasonably physically healthy but has a diagnosis related to severe and persistent mental illness. Many of these individuals could be served in less restrictive, clinically appropriate settings at lower taxpayer expense. Based on an analysis of more than four hundred successful HOME Choice placements in 2011, Ohio Medicaid and the Ohio Department of Mental Health estimate the average cost avoided by moving one of these individuals into a community based setting was approximately $35,250 per year.[2] By proactively shifting funds to community based services, the state can achieve significant long-term savings to get more people out of nursing homes and into the settings they prefer.

- ***Allow money to follow the person from a nursing home into the community.*** The Executive Budget authorizes the MHAS, working with community partners and the Ohio Department of Medicaid, to assist 1,200 nursing home residents under age 60 with mental illness who want to live in the community. For each Medicaid beneficiary who makes the transition, the Executive Budget authorizes Medicaid to transfer the state share of the savings that otherwise would have been spent on nursing home costs to MHAS so a portion of the money can "follow the person" into a community service setting. MHAS plans to assist in the transition of at least 500 residents in the first year and 700 in the second, which will save $9.2 million ($3.3 million state share) in FY 2014 and $34.7 million ($12.7 million state share) in FY 2015. In addition, the budget provides $1 million over the biennium for MHAS to pilot a similar program, called Access Success II, for individuals who are not Medicaid eligible and/or reside in institutional settings that are not reimbursed by Medicaid (for example, state psychiatric hospitals).

- ***Increase access to safe and affordable housing.*** Safe housing is critical for an individual who wants to reestablish community living, but often not affordable, particularly for persons with severe mental illness. The Executive Budget continues funding for the existing Ohio Residential State Supplement (RSS) program, which provides a monthly cash supplement to assist low income adults who have a disability and/or are over age 60 and want to exit a nursing home. The Budget also creates a new housing voucher program from a portion of the savings that result from moving more residents out of nursing homes. The new program, which is more flexible than RSS, will prioritize

[2] Helping Ohioans Move Expands Choice (HOME Choice) is a Medicaid program that provides a $2,000 one-time stipend to assist seniors and people with disabilities move from nursing homes and other long-term care facilities into their own homes or community-based settings. The stipend can be used to cover the first month's rent, previous bills, transportation and other expenses associated with reestablishing a person in the community.

individuals with mental illness and other disabilities who are living in an institutional housing, substandard housing, or are homeless but not eligible for the RSS program. The new voucher program, called Recovery Requires Housing, is set at an amount that ensures the participating tenant does not pay more than 30 percent of his or her income on rent. The voucher may be used for independent housing or in a group home that meets the Housing and Urban Development (HUD) definition of a licensed facility.

- ***Improve care coordination in adult care facilities.*** The current rate for adult care facilities (ACFs) has remained unchanged for many years ($16 to $28 per day depending on the kind of subsidy a resident receives). MHAS will use a portion of the savings that result from moving more residents out of nursing homes to enhance the rate for ACFs that connect residents to a Medicaid health home and appropriate case management. The enhanced rate will help stabilize housing options for residents of nursing homes who want to move into the community and others, particularly in cases that RSS is not available.

- ***Reduce inappropriate admissions into nursing homes.*** Current law allows an individual to move from a hospital into a nursing facility without a Preadmission Screening and Resident Review (PASRR) assessment to determine if the person meets criteria for a nursing home stay. The Executive Budget requires that residents of facilities licensed or operated by MHAS (psychiatric hospitals or units) be assessed before being admitted to a nursing facility. This does not mean a person cannot be admitted to a nursing home from a psychiatric hospital; rather, that an assessment must be conducted before an individual leaves a psychiatric hospital and moves to a nursing facility. Combined with the support for community housing described above, this proposal creates a powerful opportunity to properly direct individuals to community settings when exiting psychiatric treatment instead of improperly placing that person in a nursing facility.

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