

# The Impact of the State Fiscal Crisis on State Mental Health Systems Winter 2011-2012 Update

*Preliminary Results based on 41 States reporting*



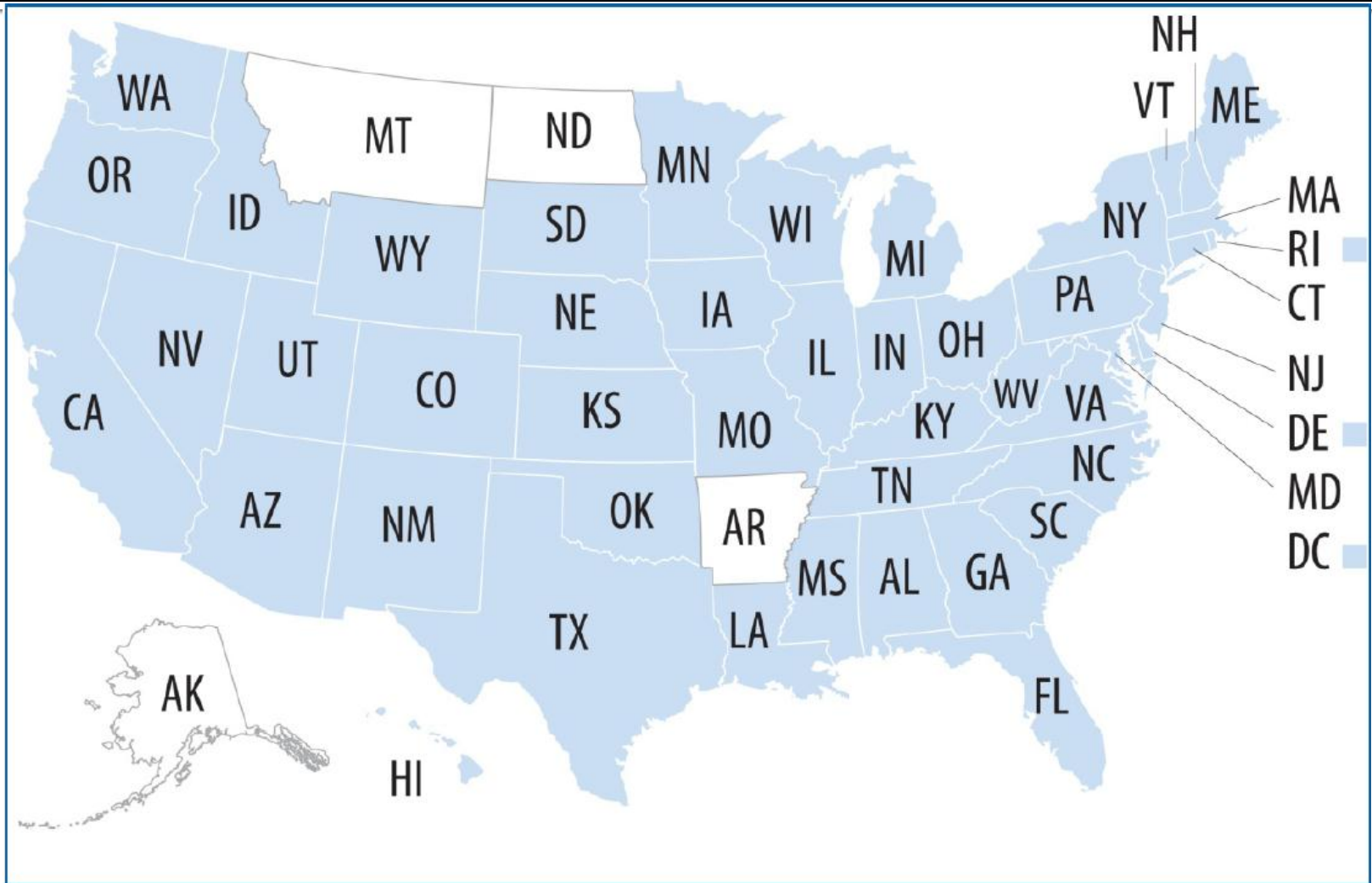
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NASMHPD Research Institute, Inc (NRI)

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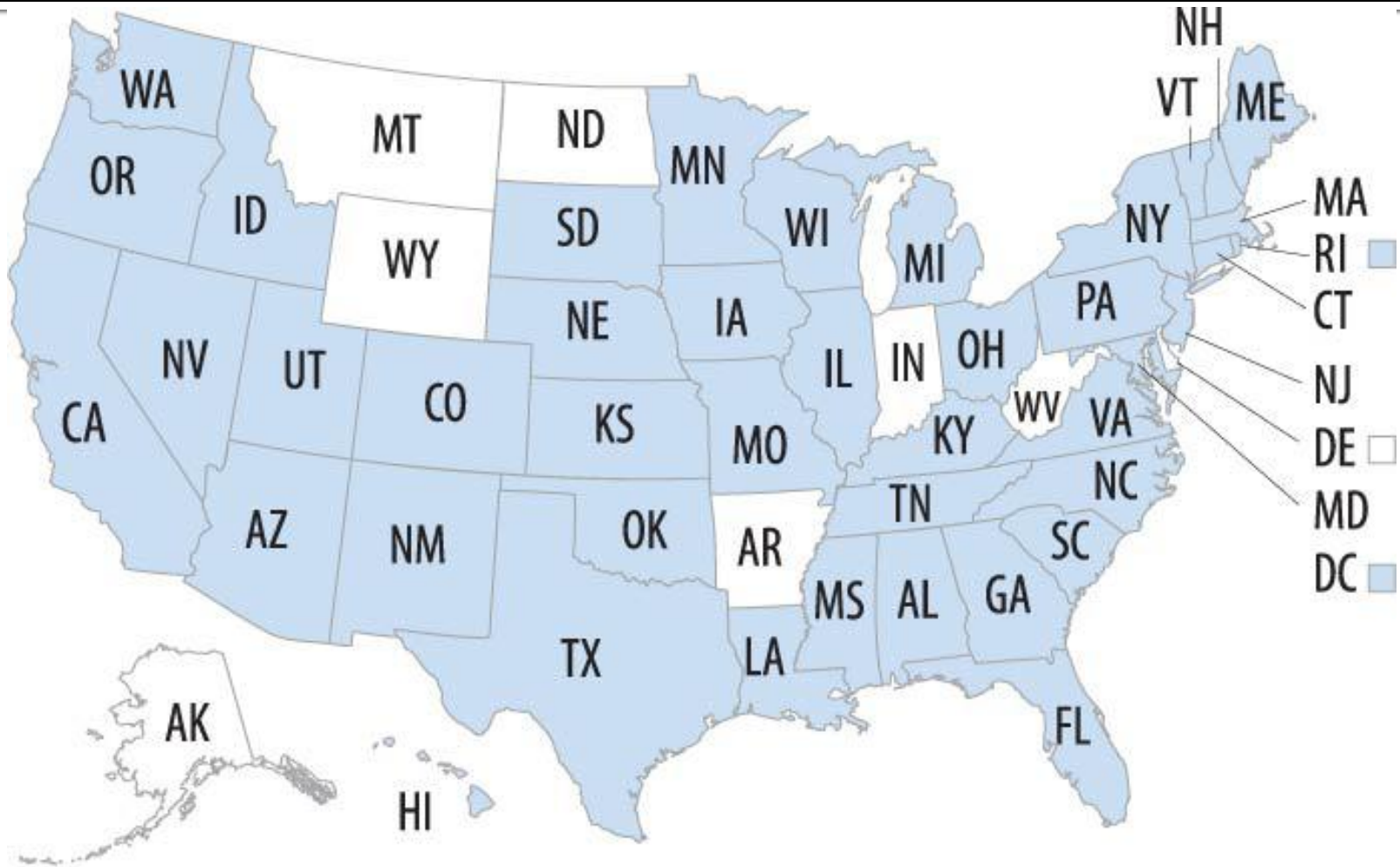
# States with Budget Shortfalls in 2011

*46 States Faced Budget Shortfalls during FY 2011*



# States Facing Budget Shortfalls in 2012

42 States have Projected Shortfalls for the Current Fiscal Year



Source: CBPP survey.

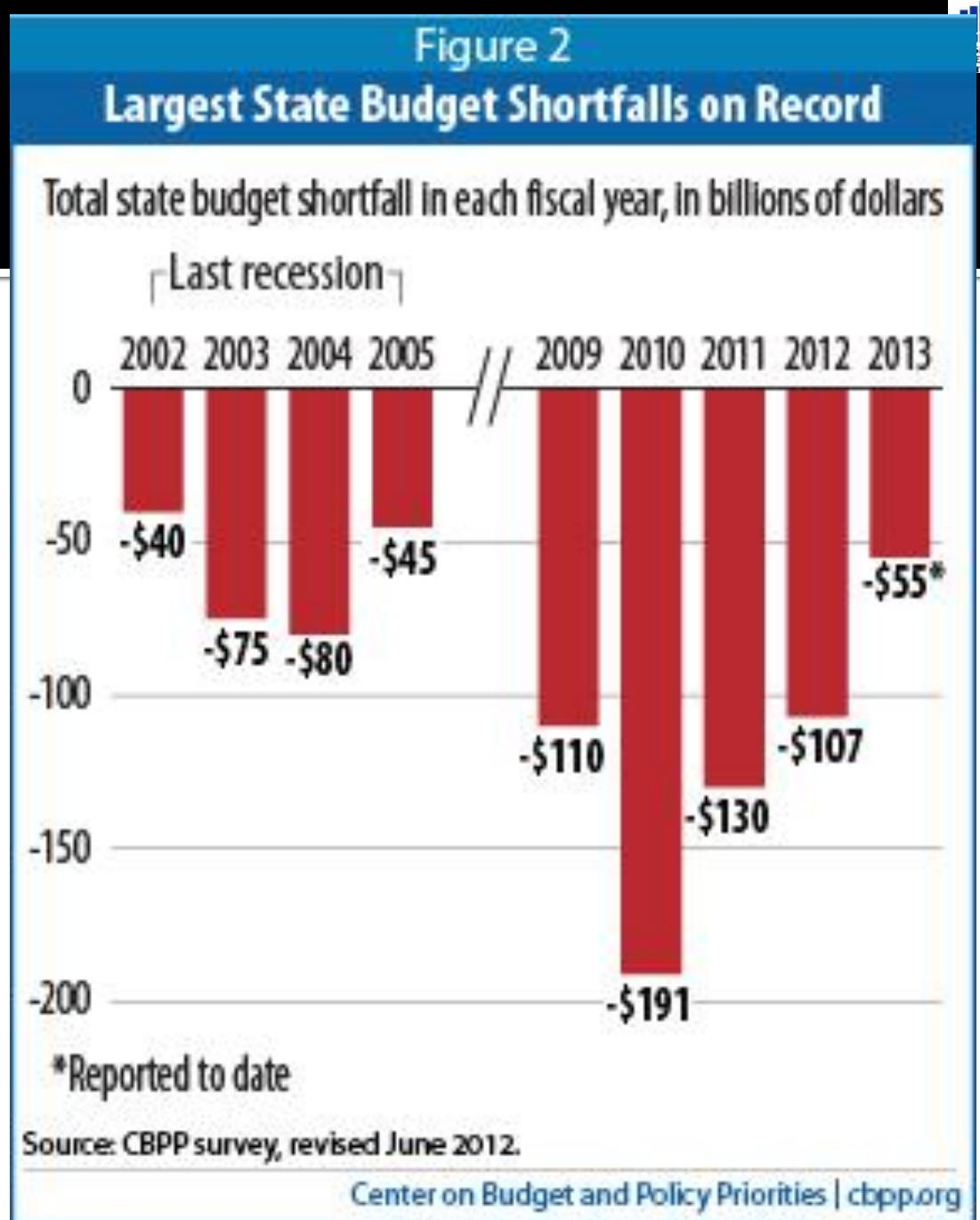
Source: Center on Budget and Policy Priorities, 6/17/2011 Update

# How Bad Will it Get?

## Largest State Budget Shortfall in Each Fiscal Year, in Billions

Figure from the Center on Budget and Policy Priorities: McNichol, E., Oliff, P., and Johnson, N. (Updated June 27, 2012). "States Continue to Feel Recession's Impact."

<http://www.cbpp.org/cms/index.cfm?fa=view&id=711>



# State Budgets in FY'12 and Beyond

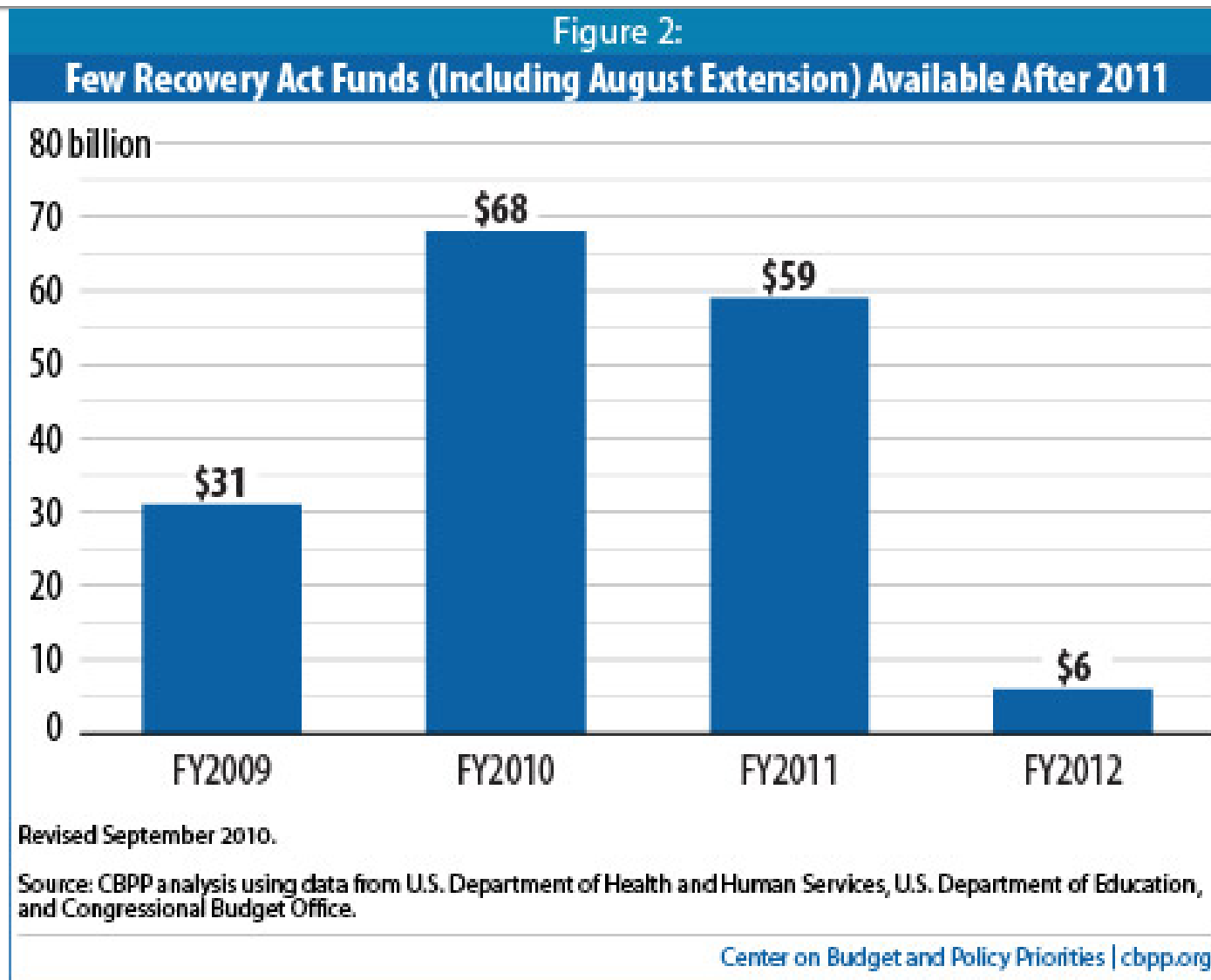
- States have collectively dealt with over \$432 Billion in budget shortfalls from State FY 2009 to 2011
- 42 States and DC have projected shortfalls of \$103 Billion in FY'12
- State Revenues are growing, but are still below where they were in FY 2008
- Federal Recovery Act (Stimulus) funds are ending

# 38 SMHAs have lower Tax Revenues in 2011 than in 2008

“Despite gains in the last six quarters, overall tax collections are still comparatively weak by recent historical standards, 5.5 percent lower in the first quarter of 2011 than in the same quarter of 2008.

In the second quarter of 2011, fully 38 states reported lower tax revenue collections than in the same quarter of 2008. The decline is deeper if we adjust the numbers for inflation—9.5 percent lower than three years ago in real terms.”

# Most Federal Recovery Act (ARRA) Stimulus Funds for States have Expired



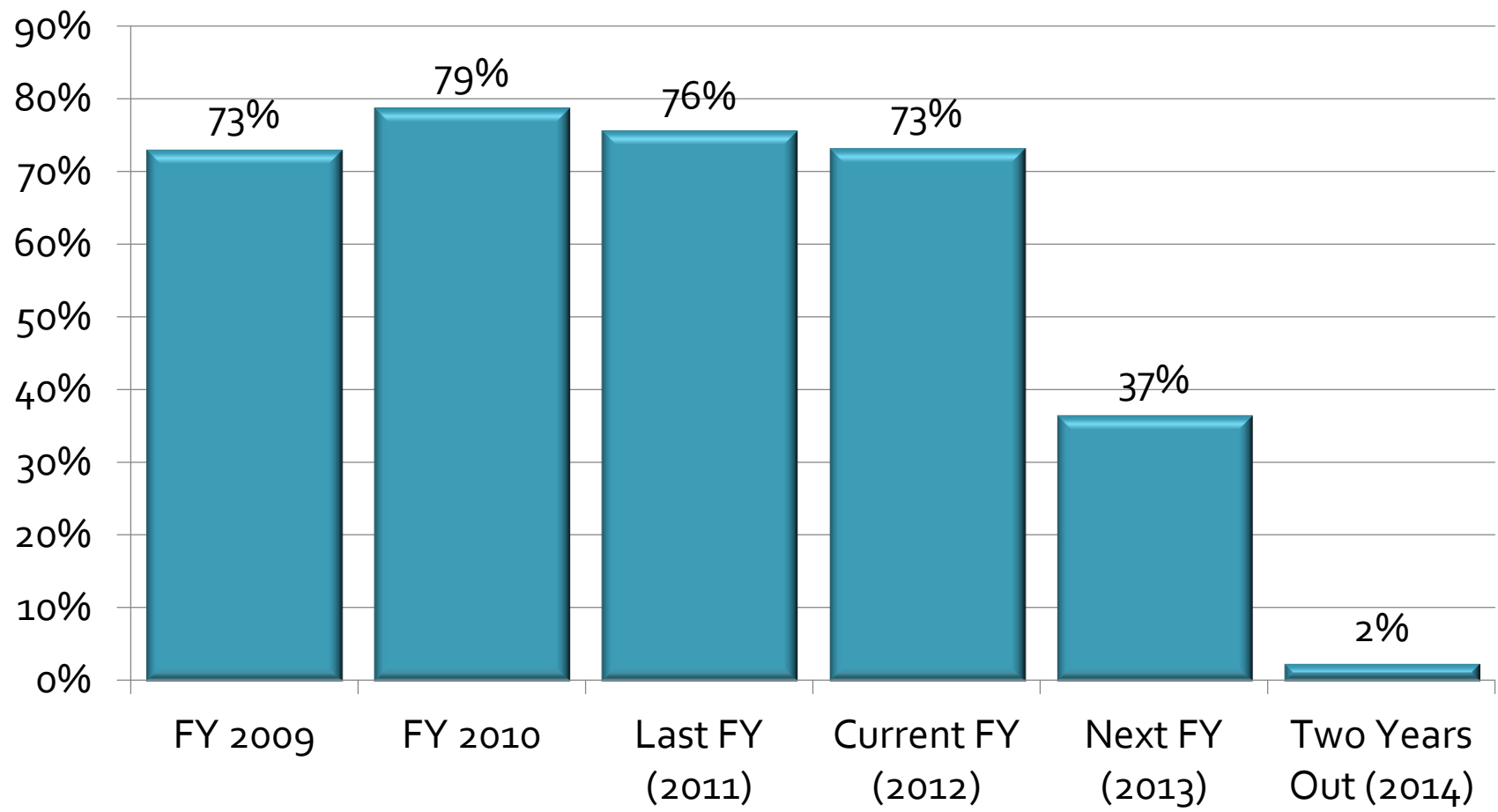
# National Association of State Budget Officers

“Revenues aren’t growing fast enough to counteract the drop-off in the stimulus funds...It’s very difficult because of the wind-down in the recovery act dollars.”

Brian Sigritz, NASBO, 2011



# Percent of State Mental Health Agencies with Budget Cuts *(as of Winter 2011-2012)*



*Preliminary Results based on 41 SMHAs Reporting Winter 2011-2012*

# Level of SMHA Budget Reductions

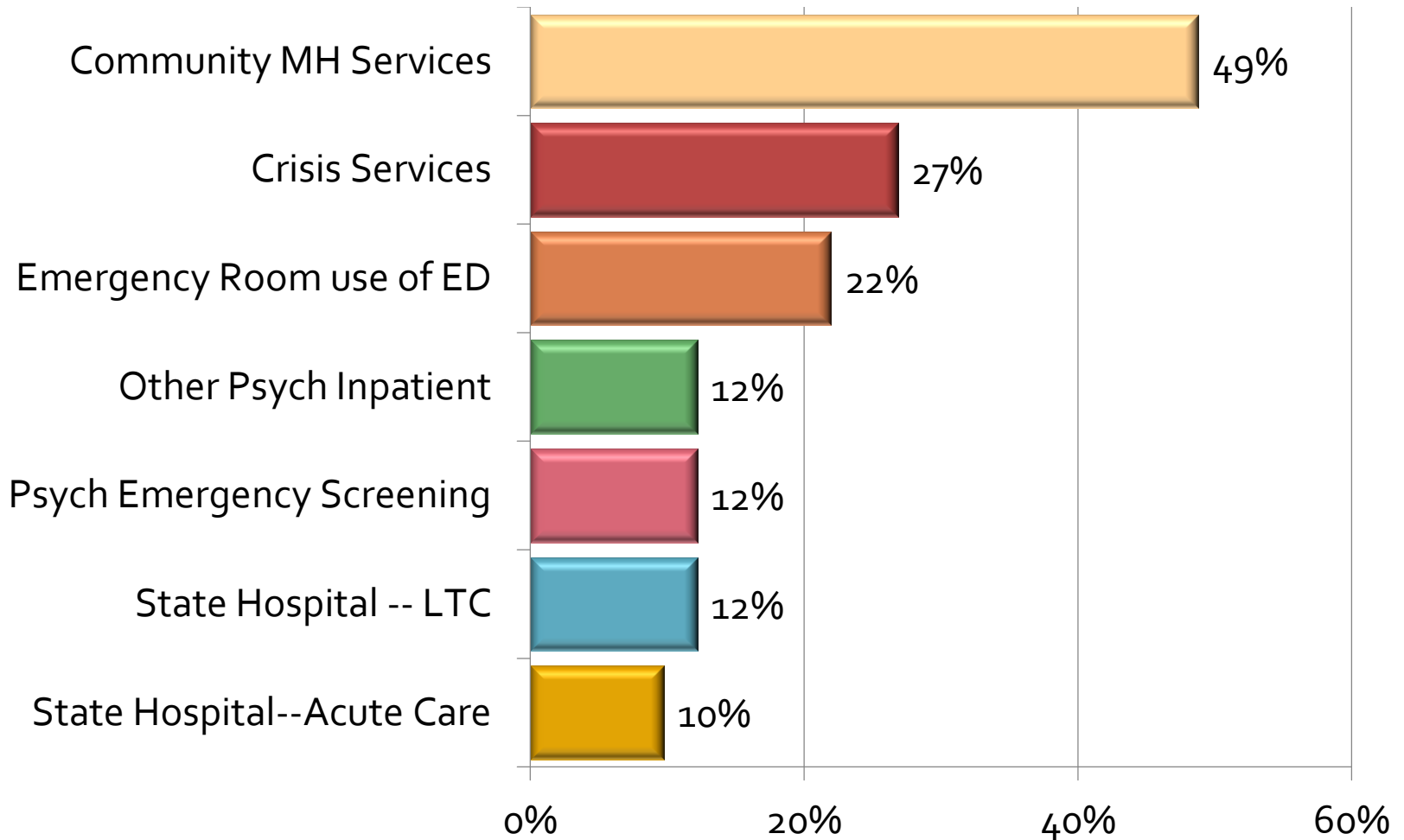
***FY2009 to FY2012 Total \$4.35 Billion in Cuts\****

Year	Average	Median	Minimum	Maximum	Total
FY 2009 (39 states had MH Cuts out of 44 responding)	\$36,849,116	\$13,226,000	\$0	\$554,003,000	\$1,216,020,843
FY 2010 (38 states had MH Cuts out of 45 Responding)	\$29,123,575	\$12,300,000	\$0	\$213,591,000	\$1,019,325,136
FY 2011 (36 states had MH Cuts out of 47 responding)	\$35,294,953	\$11,633,953	0	\$132,000,000	\$1,270,618,291
FY 2012 (31 states had MH Cuts out of 41 Responding)	\$28,074,541	\$9,040,000	\$0	\$242,500,000	\$842,236,221

*\* Preliminary Results based on 41 SMHAs Reporting Winter 2011-2012*

# Increased Demand for Mental Health Services During the Recession

## Percentage of States Experiencing Increased Demand for Services



*Preliminary Results based on 41 SMHAs Reporting*

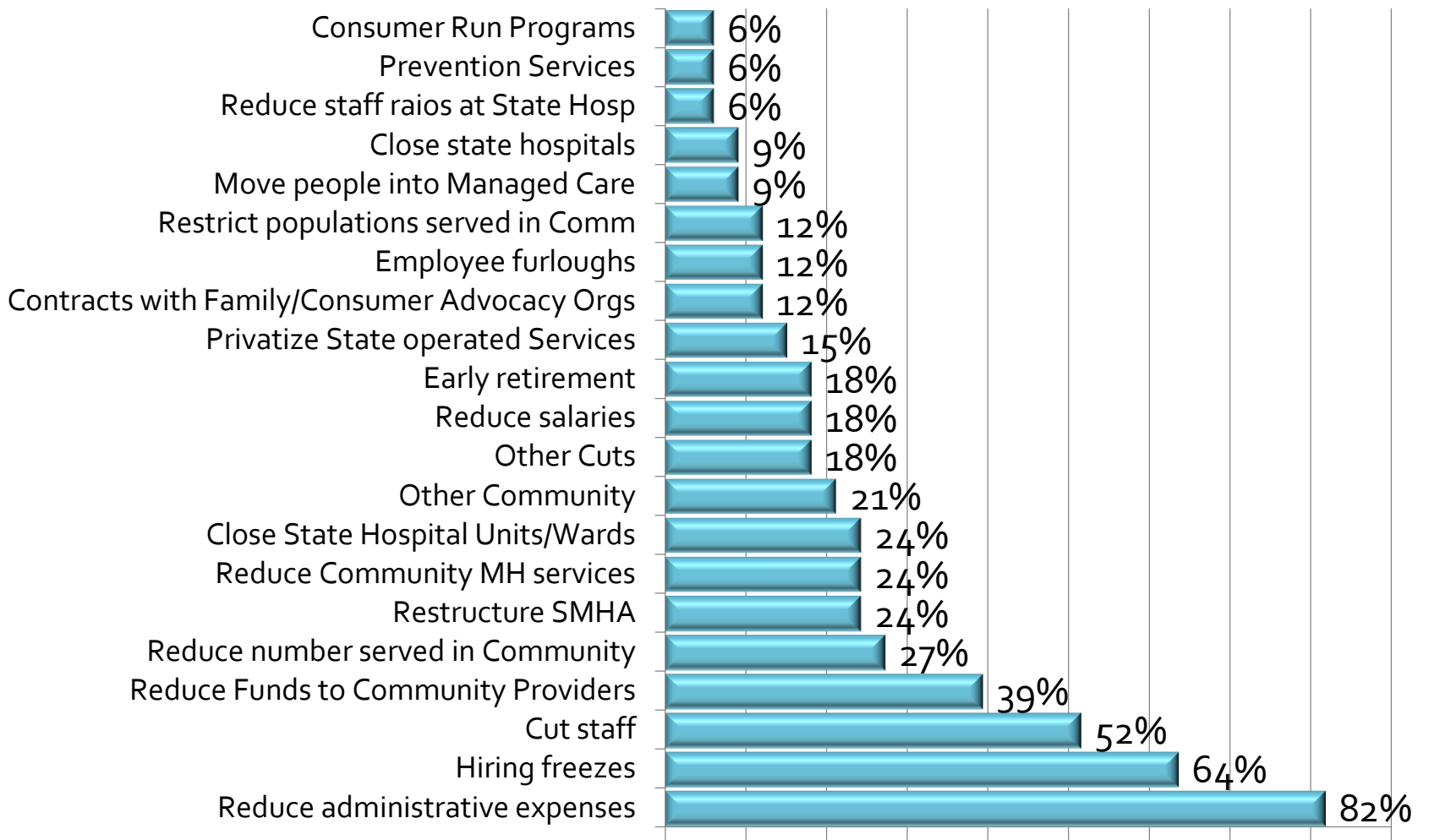
# Closing State Psychiatric Hospitals & Hospital Beds (2009-2012)

	SMHA Has Closed	SMHA is Considering Closing	Total Closed or Considered for Closure
State Psychiatric Hospitals	8 States 9 State Hospitals	4 States 6 State Hospitals	12 States 15 State Hospitals
State Hospital Beds	29 States 3,222 Beds	10 States 1,249 Beds	4,471Beds*

*\* 4,471beds represents over 9% of State Psychiatric Hospital Bed Capacity*

# SMHA Responses to Cuts in Overall SMHA Budget

*Winter 2011-2012 (Percentage of States with Cuts)*



0% 10% 20% 30% 40% 50% 60% 70% 80% 90%  
*Preliminary Results based on 41 SMHAs Reporting*

# Number of SMHAs Observing Negative Indicators Among Consumers As A Result of Cuts

Negative Indicator	Yes	No	Not Known
Increased Unemployment among MH Consumers	11	9	18
Increased Wait/Waiting Lists for Mental Health Services	9	13	14
Increased Suicide Rates	7	13	17
Increased Homelessness among MH Consumers	6	13	19
Increase in use of Psychiatric Emergency Services or Emergency Rooms	6	11	20
Criminal Justice Contacts (arrests/days in jail/etc.) by mental health consumers have increased	6	12	18
Increased use of Psychiatric Inpatient Beds	2	16	17

*Preliminary Results based on 41 SMHAs Reporting*

# Most of SMHA Budget Cuts are from General Revenue Funds

FY 2011

- 73% of Reductions from State General Funds
- 21% from Medicaid
  
- 100% of the Median State's reduction was from State General Funds

# Indigent/Uncompensated Care Reductions by State Mental Health

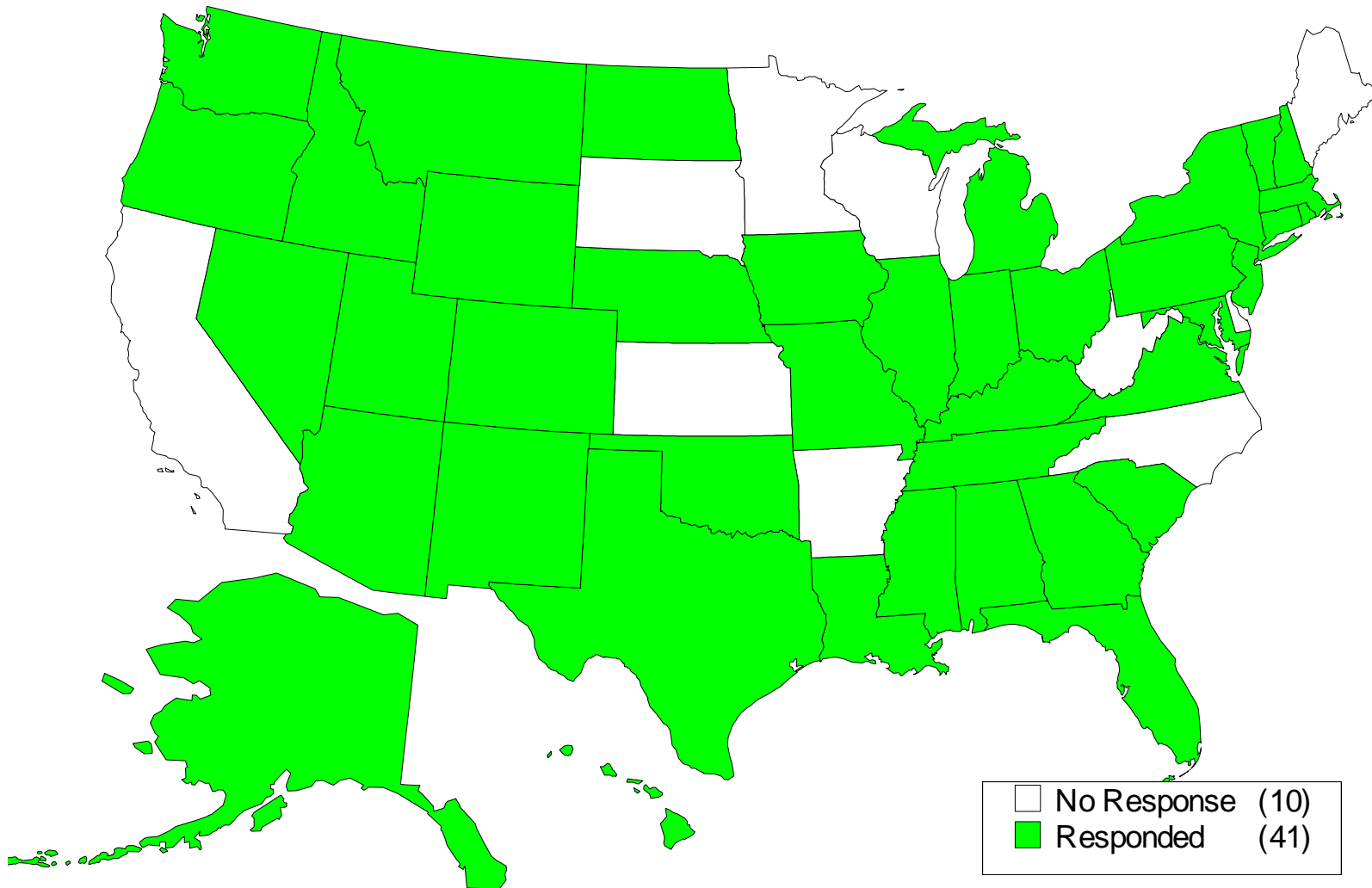
- 41% of SMHAs reported budget cuts have resulted in reductions or elimination of mental health services to individuals with no Medicaid or Insurance Coverage

“We have had to restrict community services to priority populations (individuals leaving State facilities, people on probation and parole) leaving limited resources for the uninsured.”  
Midwestern SMHA

“Other than crisis services and hospitalization services, outpatient services for non-Medicaid low-income consumers have been drastically cut. Few, if any CMHAs have outpatient services for non-funded consumers.” Western SMHA



# States that Responded to Budget Survey: Winter 2011-2012



# Direct Questions or Comments to:

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