

2009 DIG Annual Meeting Roundtable Discussion Summary

The majority of State Mental Health Agencies (SMHAs) are experiencing budget cuts due to the current economic recession. Even the few states that are not experiencing budget cuts are taking fiscally conservative measures as a precaution. During the 2009 Data Infrastructure Grant Annual Meeting, states were able to convene and discuss how budget cuts and fiscal conservatism are impacting services, how the states are coping to provide effective services to consumers, and how state data systems can be used to monitor the direct effect the recession has on consumers. SMHAs are concerned that they are only beginning to experience the impact, and will not feel the full effect of the budget cuts until Fiscal Year 2010; many state legislatures are currently in session determining how to allocate funds for next fiscal year.

At the administrative level, SMHAs are:

- Laying off staff
- Implementing hiring freezes
- Implementing employee furloughs
- Enacting pay cuts
- Reducing employee benefits
- Offering incentives for early retirement
- Eliminating cost of living adjustments (COLAs)
- Increasing staff workload
- Restricting travel
- Limiting funds to counties, often requiring them to raise more money on their own

At the provider/treatment level, SMHAs are:

- Eliminating/reducing services
- Closing state hospitals, community centers, and rural clinics
- Privatizing state-owned facilities
- Conducting consumer surveys every-other-year (as opposed to annually)

Impact on Consumers

The current budget cuts have a direct impact on consumers. Administrative budget reductions such as restricted travel make it more difficult for the SMHA to provide oversight and ensure that quality services are being provided to consumers in treatment facilities. Increased staff workload also impacts the quality of care consumers receive. It is rare for new services to be offered, and some services (especially evidence-based practices such as ACT, Supported Housing, and Supported Employment) are being cut altogether. Waitlists for services are growing as capacity to provide services shrinks and eligibility requirements are tightened. For example, many states are attempting to serve only those consumers who are experiencing a serious mental illness (SMI). Because of this, some consumers with mild symptoms or diagnosis are told to come back for treatment only when they are in crisis. Many states have also made serving the uninsured a greater priority over the insured. Unintended

consequences of these restrictions often include increased admissions to emergency rooms and state hospitals.

Bridging the Gap while Maintaining Quality of Care

Aside from cutting services and closing facilities, SMHAs are attempting to bridge the gap the recession is leaving in their state budgets through the use of stimulus funds and other creative, cost-saving measures. Many states report an increased use of peer specialists to provide services, expanded use of telemedicine, collaboration with Medicaid and other state agencies, and consolidating IT systems into one unit within the state government. Examples of such efforts include:

- One state is using Transformation Grant funding to install equipment to make telemedicine more feasible.
- A strategic collaboration has been formed with the criminal justice system in another state. The SMHA realized they were always fighting criminal justice for the same funding dollars. The two agencies began working together on grants and have formed a mutually beneficial relationship.
- One state has begun to form a collaborative, multi-agency organization around behavioral health which has allowed billing for services to be redirected to Medicaid. Because of the Medicaid Match program, there is an increased amount of money in the system.
- Another state is in the process of integrating the SMHA and Medicaid data to create one portal for providers to submit claims. It is important to note that in this state, the SMHA is completely separate from Medicaid, but a unique environment of leadership has allowed such a collaboration to form.

Even though many states have had to cut staff and eliminate/reduce services, a few states have taken this time as an opportunity to provide new and innovative services. Such programs include:

- A managed care program for single adults
- Tobacco prevention and mental health services for pregnant women

Monitoring the Impact

States recognize the importance of monitoring and documenting the impact budget cuts have on consumers and how the cuts are impacting other agencies and organizations (e.g. increased use of the criminal justice system and emergency rooms). States agreed that the Data Infrastructure Grants make it possible for them to collect data and monitor trends related to the impact of budget cuts; without these funds, staff layoffs in the data and planning office would be even worse. Even with these funds, states are facing cost pressures to reduce data requirements which may lead to less reliable data and fewer surveys. States are monitoring the impact of the recession in a variety of ways:

- A mental health scorecard is being used in one state to compare urban and rural centers. The scorecard is sent out to all centers, and the SMHA will compare each center against state and regional averages. The results will be used to determine utilization rates (based on outpatient, therapy outpatient, contact situations, and service types). A median and an average will be produced for ten mandated services in jails and other settings. The SMHA is trying to determine the impact of the cuts on psychiatric care and services, and also predict the number of

psychiatrists needed per 1,000 of the population. Ultimately, the SMHA would also like to improve recruiting practices.

- One state is using client outcome questionnaires to gauge how well a center is providing treatment. The questionnaires are also being used to determine how many beds a certain facility should have based on symptoms/diagnosis and treatment, and to determine if consumers are receiving strengths-based care.
- Four internal studies are being conducted in one state to track the impact of the recession on the delivery of mental health services. These studies include:
 1. *Impact of the Recession on Community Mental Health Provider Organizations*: this study will document a variety of things that have happened to providers' operations as a result of the budget cuts, their strategies, and future expectations.
 2. *Longitudinal Perspective on Service Patterns*: this study will document changes that have taken place in patterns of service delivery in the community as well as the effects of these changes on various population subgroups.
 3. The *Consumer and Family Perceptions of the Economic Recession* study will document the perceptions of consumers and family members about changes with respect to service access, service patterns, and relationships with their providers.
 4. A study to determine the macro impacts on the mental health system will assess the impacts of a variety of factors external the mental health system, including Medicaid growth and penetration, board levies, property tax valuation, and policy changes.

Spreading the Word

Participants agreed that it is important to get the message out that mental health services are important and necessary, and that cutting budgets to the SMHA will create realized costs in other state systems. One state conducted a study to demonstrate the impact of SMHA budget cuts and the result was a one-to-one relationship with budget cuts in mental health and an increase in the use of the criminal justice and juvenile justice systems. Another state reported that when they educated the legislature about how budget cuts impact other state agencies, a referendum was passed that gave the funds back to the SMHA; this state has always been saved by the legislature because they have proven what happens when cuts are made. States promote sharing this information with family members, advocates, consumers, law enforcement officers, judges, and doctors so they can carry the message to legislators. Data should also be shared with advisory councils, executives, and clinical management teams. SMHAs are getting the word out through the use of websites and intranet systems.