

OACBHA's FINANCING OHIO'S BEHAVIORAL HEALTH SYSTEM PROPOSAL

7-06-10

1. The Community Behavioral Health Medicaid Match shall be funded out of the ODJFS 525 line.
2. Boards shall not be required to utilize local levy funds for the purpose of Medicaid match.
3. ODMH line items 408 and 505, as well as the ODADAS line item 401 shall be fully funded, with the dollars being allocated to communities.

FREQUENTLY ASKED QUESTIONS

What is the Problem?

Our state funding has been significantly reduced and Medicaid costs have continued to grow. This has been true for some time. What is different going into this budget is that if one starts with the presumption that the state is not going to bring significant additional resources to the ODMH and ODADAS budgets, then the state does not have enough money to meet its Medicaid match obligation.

By the Numbers

ODMH Match Needed in 2012: \$212.5 Million

What we had in 2011:

Total 408 flex (after hospital costs are taken off the top) & all 505 GRF = \$197,864,913

SHORT \$14,635,087 (Even if you add the 419 medication line ODMH is still Short \$5,708,534)

ODADAS Match Needed in 2012: \$32,985,463

Total 401 in 2011: \$26,784,703

SHORT \$6,200,760 (Even if you add in the 404 prevention line, ODADAS is still SHORT \$5,331,801)

How our plan is similar to /different than what the departments called "elevating" Medicaid during the last biennial budget?

As we understand the ODMH/ODADAS proposal Medicaid Match would move from the Boards to ODMH/ODADAS as opposed to our recommendation to move it to the ODJFS 525 Line.

What exactly does it mean to move Medicaid to the 525 line?

Under our plan, the ODJFS 525 line becomes the payer of Medicaid match for alcohol, drug addiction and mental health services. This means that the federal share will no longer be paid at the county board level. Additionally, it means that our Medicaid is treated like physical health Medicaid because **BEHAVIORAL HEALTH CARE, IS HEALTH CARE**. For years, legislators have understood that they absolutely must fund the 525 Medicaid line adequately to meet the match for physical health care. Adding behavioral health Medicaid brings parity and consistency to how the state handles Medicaid budgeting, as well as making the future Medicaid changes that are inevitable under health care reform a bit easier for the state to implement. **BOTTOM LINE** – Moving behavioral health Medicaid to the ODJFS 525 line is **TRUTH IN BUDGETING** --- it treats both behavioral health and physical health the same.

What other issues might be addressed by moving the behavioral health match to the ODJFS 525 line?

Once the Medicaid match for behavioral health is moved to the ODJFS line, this will allow the State to address the ongoing concerns of who should be paying the match for individuals receiving autism services, and for individuals receiving mental health services in a nursing home.

IF behavioral health Medicaid is moved to the ODJFS 525 Line, should it also go to managed care?

No. It makes no sense to make any programmatic changes in the 2012-2013 biennium as we have yet to understand all of the possible changes and implications of federal healthcare reform. Additionally, consumers move in and out of Medicaid eligibility and many critical services such as housing, employment and non-clinical case management and support are not Medicaid eligible, so we must make certain that there is a comprehensive, integrated and holistic public system that will best benefit the consumer.

Will how providers submit claims to boards change?

No. We are NOT proposing that Medicaid enrollment or claims processing be moved at this time. Given that there will be a change in how providers make claims once MITS is fully functional and that there will likely be many Medicaid administrative changes in 2014 due to health care reform; we are proposing that boards continue to handle these functions through the next biennial budget.

What does this financing plan cost, or save from the state's point of view?

The good news for legislators is that there is no appreciable additional cost to incorporate behavioral health Medicaid into the 525 line. Alcohol, drug addiction and mental health services Medicaid match obligations represents less than 2% of the overall Medicaid spending, and the 525 line is going to lapse more money in SFY 2010 than the behavioral health system requires in total Medicaid match. All we are asking on the ODMH and ODADAS budget side is to stay at the same low level of funding as in the current 2010-2011 biennium. **However**, if the state does not adopt our proposal, they will have to find additional revenue above the amounts they funded this biennium for both ODADAS and ODMH; and most likely for DRC, DYS, Child Welfare and other health and human services that will see increased cost due to the consequences of not treating addictions and mental illness.

Is it realistic to believe that this financing plan will be considered?

Yes. Many legislators and much of the public alike believe that both ODMH and ODADAS have been cut too drastically over the past several years, culminating with the cuts to both departments in the 2010-2011 biennial budget. In a report released by the Center for Community Solutions in June 2010, *Thinking the Unthinkable, Finding Common Ground for Resolving Ohio's Fiscal Crisis* the report models a possible 10%-20% reduction in most human services, **but stated ODMH and ODADAS should be excluded from reductions due to the critical condition of Behavioral Health Services**. Additionally the report recommends that the state should be responsible for the Medicaid Match, it states: *"Relieving local boards of this responsibility would help stabilize precarious, if not dangerous, situations in communities across Ohio, while helping county governments and local boards address the multifaceted impact of the recession. It would also help align Ohio's Medicaid program with the impact of federal health reform on mental health benefits and expanded eligibility for currently uninsured individuals. If the cost for state assumption of behavioral health Medicaid match were shared between new appropriations and current state subsidies to local Mental Health and Alcohol and Drug Addiction Services boards, then local boards would shed a major financial burden, while a significant step toward clarifying roles and stabilizing behavioral health finance is taken"*. The report also states: *Additional funding would be needed to cover this, as well as provide some subsidy to local communities to support the behavioral health needs of the uninsured*.

Does the Franklin County ADAMH Board proposal around the 408 formula impact our financing recommendation?

No. The two proposals are not in conflict. The Franklin County ADAMH Board would like to change how the ODMH 408 funds are allocated between boards. As we have stated above, if we do not address our financing crisis, there isn't enough money to cover Medicaid match, much less to allocate to boards through the 408 formula.