

LETTER FROM LANSING

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Problematic New 298 Language Doesn't Make Final FY-19 State Budget Act

New Section 298 language that the Senate had added to its FY-19 state health budget bill did not survive the final version of the budget approved by the House and Senate (and signed by the Governor). The language would have allowed Medicaid Health Plans (MHPs) in the state's three pilot project regions to contract with anyone they wish for specialty behavioral health service, and to forgo contracting with Community Mental Health. The language also said that MHPs in the pilot projects would retain all utilization management control of specialty behavioral health.

The House did not have this language in its version of the budget bill, and the final budget act worked out between the two legislative chambers went with the House version on this point. Major mental health advocacy enabled us to achieve this victory, but it is only one battle in what's going to be a long, arduous process. There will likely be future attempts to bring back what the Senate attempted.

To see a related op-ed from our CEO in the *Detroit News*, please go to:

<https://www.detroitnews.com/story/opinion/2018/06/22/opinion-legislature-threatens-pour-gas-mental-health-fire/7195280002/>

Medicaid Work Requirement Becomes State Law

Governor Snyder has signed SB 897 (now Public Act 208 of 2018) as it went through both chambers of the Legislature, meaning Michigan will seek a federal government waiver to require some Medicaid beneficiaries to work a certain number of hours in order to stay in Medicaid.

Key changes from the original Senate version of the bill are:

*The final version targets only those in *Healthy Michigan* (the Medicaid expansion the state undertook under the federal Affordable Care Act). There are close to 700,000 such persons in Michigan (out of 2.5 million total Medicaid beneficiaries). On June 7, the House Fiscal Agency (HFA) made an estimate that SB 897 – in its newer form – could impact up to 540,000 state residents. HFA also estimated that 5-10% of those residents would lose Medicaid coverage.

*The hourly minimum work requirement has gone from 29 hours a week to 80 hours a month.

*The provision that had garnered national attention – giving a break to high-unemployment (rural) counties with no break for high-unemployment (urban) cities – was removed.

If federal approval is received, the program would begin January, 2020. Beneficiaries who fail to meet work requirements for three months in a year will lose coverage for at least a month. Coverage can return if they resume compliance with the work requirement.

There are several exclusions (exemptions) to the work requirement:

- *Ages 63 and 64 (*Healthy Michigan* ends at age 64)
- *Someone who is the caretaker of a family member under age 6 (only one parental exemption is allowed at a time, regardless of family size)

- *A beneficiary currently receiving temporary or permanent long-term disability from a private insurer or the government

- *Someone who is a full-time student

- *A woman who is pregnant

- *A beneficiary who is the caretaker of a disabled dependent who needs full-time care based on a licensed medical professional's order

- *Someone who is the caretaker of an incapacitated individual under state law

- *An individual who meets the federal definition of "medically frail"

- *Someone with a medical condition who has a work limitation based on licensed medical professional opinion

- *An individual incarcerated within the previous six months

- *A beneficiary currently receiving unemployment benefits from the state

- *A person under 21 who had previously been in foster care placement in Michigan

"Good cause temporary exemptions" exist for the following:

~The beneficiary has a disability per the Americans with Disabilities Act, the Rehabilitation Act of 1973, or the Patient Protection & Affordable Care Act and is unable to meet the work requirement because of that disability

~The beneficiary or an immediate family member living with the beneficiary is disabled under federal disability rights law and cannot meet the work requirement because the involved disability

~The beneficiary or an immediate family member living with the beneficiary experiences hospitalization or serious illness

Court-ordered substance use disorder treatment counts toward the work requirement. Community service, with a tax-exempt nonprofit, can count as a qualifying activity for three months out of a year. And, persons who receive Supplemental Nutrition Assistance or Temporary Assistance to Needy Families are exempt if they are in compliance with or exempt from work requirements of those two programs.

In sum, the work requirement portions of SB 897 will result in major effort, cost, and disruption to beneficiaries' lives in order to get maybe 25,000-55,000 beneficiaries off the Medicaid rolls in Michigan. Is that worth all the time and resources that will now be devoted to this? Do some of our politicians hate Medicaid – and the people who depend on it – that much?

Finally, SB 897 also requires the state to submit other Medicaid waiver adjustments to the feds, with respect to beneficiary cost-sharing and demonstration of healthy behaviors, as well as length of time in Medicaid. If those adjustments aren't approved within 12 months of submission, SB 897 requires Michigan Medicaid to notify beneficiaries that the *Healthy Michigan* program ends four months after that point.

Selected Data from 2016 National Survey on Drug Use & Health

Some key points from an electronic slideshow on SAMHSA's 2016 National Survey on Drug Use & Health (https://www.samhsa.gov/data/sites/default/files/2016_ffr_2_slideshow_v6.pdf):

*Percentage of adults (over 18) receiving any mental health treatment in '16 – 14.4%

*Type of mental health service most often received – 1) prescription medication; 2) outpatient; 3) inpatient

*Perceived unmet need for mental health service – Among all adults, 4.8%; for those with any mental illness, 20.7%; among those with serious mental illness, 39.7%

*Top reason for not receiving mental health service in response to a perceived unmet need – Could Not Afford Cost (this was true across all adults, those with any mental illness, and those with serious mental illness)

*52% of adults with any mental illness and substance use disorder received no mental health treatment or specialty substance use service (only 7% received both)

*Among those with serious mental illness and substance use disorder, 34.4% received no treatment for either, and only 12% got both mental health treatment and specialty substance use service.

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