

SJ 47 Expert Advisory Panel on System Structure and Financing

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Problem Statement and Work Plan

Approximately 350,000 Virginia adults (5/4%) have a serious mental illness. Based on national estimates, approximately one-third are untreated and about half report an unmet need for mental health care. As many as 130,000 children and youth in Virginia live with a serious mental health problem, and national estimates suggest that less than half of them received treatment within the past year. Distress and dysfunction due to mental illness exact a huge toll on affected individuals and their families and account for disproportionate share of the social burden of disease.

Access to and utilization of mental health services and supports are distributed unequally in the population and vary substantially by geography, socioeconomic status and other demographic factors. This Panel is charged with identifying ways in which the governance and financing of mental health service delivery could be improved to increase service access and utilization.

I. Problem Statement: Public Financing of Mental Health Services and Supports

- Inadequate array of accessible mental health services and supports in most areas of the Commonwealth for both children and adults
- Lack of insurance coverage for adults and certain child populations; and lack of private insurance coverage for most types of community-based mental health services that leads to escalation of their conditions and entrance into the publicly-funded system
- Inadequate public funding for mental health services and supports for those who lack private insurance
- Unevenness in distribution of publicly funded services and supports
- Inadequate Medicaid provider reimbursement for some mental health services

Solution

A. Define the Necessary Array of Publicly Funded Mental Health Services and Target Populations

B. Increase Available Funding for Minimum Necessary Array of Mental Health Services for Persons not Covered Adequately by Private Insurance

A. Defining Necessary Array of “Core Services”

Lack of access to preventive services and to effective alternatives for responding to mental health crises leads to inefficient use of high-cost services (EDs, acute care beds, residential treatment),

spillover into the criminal and juvenile justice systems, and leads to gross inequities in services and in well-being across the Commonwealth.

- Provide an adequate continuum of community-based treatment and supports for children and adults to prevent crises in the targeted populations and make them accessible throughout the Commonwealth
- Substantially expand effective alternatives for crisis response for children and adults, including CSUs, psychiatric emergency services, and mobile crisis teams, and make them accessible throughout the Commonwealth
- Ensure trained workforce that can provide necessary core services

B. Financing of Necessary Services and Supports:

Even with the recent increase in access to affordable insurance coverage for mental health conditions under new federal legislation, large numbers of persons with mental health conditions remain uninsured and the number of individuals seeking public mental services continues to increase. Another indicator of untreated mental illness is a significant increase in emergency mental health evaluations in recent years.

Options include:

- Increase number of persons eligible for Medicaid
- Increase allocation of state general funds for mental health services
- Close selected state mental health facilities and reinvest funds in community mental health services, including CSUs, drop-off centers, psychiatric emergency services, and acute-care hospital beds
- Review and modify required levels of local support for community mental health services
- Earmark savings realized from juvenile justice system reform and criminal justice diversion for reinvestment in community-based services, including funding for mental health services for court-involved youth and adults.

II. Problem Statement: Governance of Publicly-Financed Mental Health Services

Authority and responsibility are widely dispersed across many systems and levels of government, and multiple funding streams with different reporting requirements and expectations. As a result, delivery of mental health services is plagued by lack of clarity about expectations and outcomes; weak accountability; and misalignment of needs and services (within domains of mental health programs and services as well as across the boundaries of other social systems and programs).

Solution: Enhance State Direction and Oversight through DBHDS

Goal: Increasing the capacity and authority of DBHDS to provide the necessary direction, guidance and oversight to improve outcomes in the targeted population, reduce disparities in access, achieve efficiency and promote accountability of providers who receive public funds

- Strengthen strategic partnership with localities
- Enhance role of CSB performance contracts in achieving improved practices and outcomes and assuring accountability (including use of incentives as well as penalties)
- Develop strategies and incentives for cross-system alignment of services and outcomes (including social services, education, juvenile and criminal justice, health, and Children's Services Act (CSA))
- Optimize alignment and coordination of Medicaid programs with State-funded mental health services
- Facilitate development and retention of qualified workforce