

Memorandum

To: Joint Subcommittee to Study Mental Health Services in the 21st Century and
Work Group on System Structure and Financing

From: Expert Advisory Panel on System Structure and Financing
Richard J. Bonnie, Chair

Date: August 22, 2016

I apologize for missing the meeting today. However, I did want to submit a brief report summarizing several inquiries currently being undertaken by the Expert Advisory Panel on System Structure and Financing.

Closing Gaps in Service Capacity and Access

Commissioner Barber is presenting a progress report about the CCBHC-STEP VA initiative for transforming the public mental health services system in the 21st century, and may be in a position to estimate the cost of increasing service capacity in the eight demonstration sites for various increments of service. The SSF Panel is working with the experts at DBHDS to develop reasonable estimates of the cost of achieving the level of service capacity envisioned in the CCBHC plan on a statewide basis over the next decade.

Creating Necessary Data Capacity

Whatever its pace and whatever its financing and structure, a transformed public mental health services system requires a robust data system to measure performance and assess outcomes. Unfortunately, the necessary data infrastructure does not yet exist and many of the necessary data elements are not yet available. With assistance from the computer scientists at DBHDS and other state agencies, the Panel is attempting to identify the gaps and make timely recommendations to build the necessary data capability to support the transformed system of care.

Solving Cross-System Challenges

Several of the most challenging problems we face in delivering services to our most vulnerable populations involve gaps and misalignments in services across systems, including safe transportation for persons in crisis, and providing necessary care to juveniles and adults in detention or as they are released from custody. Because these problems implicate structural challenges, especially at the local level, the Structure and Finance Panel is working with the expert panels on criminal justice diversion and crisis response to study local innovations and facilitate creative solutions.

Coordinating Publicly Funded Mental Health Services

We have been exploring opportunities for improving alignment of Medicaid-funded mental health services and services funded by state general funds. As the Joint Subcommittee knows, the financing of mental health services with federal, state and local revenues has become increasingly complex, especially in the context of recent federal health care reform initiatives and the promising trend toward

integration of behavioral health and general medical care. Our work in this important domain is in a learning phase and we expect to continue this inquiry in the months ahead.

Linking CSB Funding to State Hospital Use

The SSF Panel is also reviewing the concept of linking CSB funding to state hospital utilization. Since the advent of the “last resort” legislation in July, 2014, admissions to DBHDS hospitals have increased 42% (4275 in FY14 to 6082 in FY16) while TDO admissions to state hospitals have increased 164% (1319 in FY14 to 3477 in FY16). At the same time, on any given day approximately 150 individuals are on the DBHDS “Extraordinary Barriers List” (EBL). These individuals no longer need state hospital care but remain hospitalized for want of a suitable community support plan. The EBL cohort uses a significant amount of state hospital resources that could be devoted to acute care. In response to this situation, DBHDS has initiated a dialogue with CSBs about the possibility of linking CSB funding to state hospital utilization targets in order to create financial incentives to reduce state hospital usage to safer levels and to assure that CSBs will have access to acute beds within their region when necessary. Mechanisms that link community funding to state hospital utilization exist in many other states, and the Panel is currently researching these mechanisms to develop possible options for Virginia policy makers.

Immediate Priorities

Most of the work of the expert advisory panels, including the topics summarized above, is directed toward a report in the fall of 2017. However, we also want to be responsive to the Joint Subcommittee’s needs as the 2017 session of the General Assembly approaches. I have therefore asked each of the other expert panels to identify possible recommendations for Code changes or appropriations that appear to be urgent or that otherwise are ripe for consideration by the Joint Subcommittee at this time. Those ideas will be preliminarily reviewed by the Panel on System Structure and Financing at its meeting in late September so that they can be prepared for Joint Subcommittee consideration in late October.