

# Mental health crisis looms as agencies, clients hit hard by COVID-19 in Wayne County

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- Increases seen in suicides, substance abuse, anxiety and depression
- Some 17 agencies, regional funder ask state for more than \$50 million in emergency funding
- Providers down in case visits, revenue, while PPE costs rise



Willie Brooks, Sherry McRill, Cathy Liesman, Bob Sheehan

With nearly half of the deaths and positive cases of COVID-19, Wayne County, including Detroit, is at the epicenter of the COVID-19 pandemic in Michigan.

Out of the spotlight, Wayne County also is facing a growing behavioral health crisis that is threatening the financial viability of more than a dozen community health agencies in the state's largest county and has contributed to the region's high mortality rates and positive COVID-19 cases, mental health executives tell Crain's.

The crisis is fostering increases in suicides, anxiety and substance abuse, mental health experts say. Meanwhile, the agencies and workers serving the population is being pushed to the brink.

"We have some of the sickest (most acute) patients. Wayne County has 25 percent of all the mental health patients in Michigan (25 percent, or 82,000, of the state's total of 350,000) and has the largest Medicaid population here (28 percent, or 690,000 of 2.5 million)," said Sherry McRill, CEO of Northeast Integrated Health, a Detroit-based mental health provider.

"Many already have other symptoms of high blood pressure, diabetes, heart disease, hypertension" and they are highly susceptible to being infected by coronavirus, said McRill. "Those mentally ill don't take care of themselves. We have a lot of people die in our system. They are positive and don't know it and spread to others."

Of the more than 4,200 deaths and 45,000 positive COVID-19 cases in Michigan as of last week, 47 percent of deaths and 40 percent of cases are in Wayne County, said the Detroit Wayne Integrated Health Network, the largest of the state's 10 regional behavioral health organizations.

Historically, community mental health agencies have served as the primary health care provider for many adults and children with behavioral problems, including serious emotional disturbance, severe mental illness, developmental disabilities, substance abuse, autism and other children initiatives.

"We are the invisible frontline. There is so much need for behavioral health that will become even worse once this crisis is over," said Cathy Liesman, CEO of Development Center in Livonia. "We've had staff and consumers test positive and four consumer deaths, relatives of staff who have passed away. It has had a huge impact and it is only a tip of the iceberg."

### **Agencies strained**

Many behavioral health agencies partner with physician groups and federally qualified health centers for medical and dental care to provide comprehensive services and improve outcomes, said McRill, who also is co-chair of the Michigan Behavioral Health and Wellness Collaborative, a membership advocacy group formed in 2014 that includes 17 agencies in Wayne County.

But mental health and state government officials have recognized that the method by which Medicaid funds providers and agencies is inefficient and needs overhauling. Everyone agrees more funds are needed to serve a growing behavioral health population.

Over the past five years efforts have been made to restructure how the state funds its bifurcated \$2.6 billion behavioral health system and its \$9 billion physical health system with the goal of reducing service duplication and improving outcomes. So far, a solution hasn't been found that providers, business and government leaders can agree upon.

Willie Brooks, CEO of Detroit Wayne Integrated Health Network, said he has asked for at least \$50 million more in financial support from the state Department of Health and Human Services to deal with the crisis.

"This is a two-year scenario. COVID-19 will have another (surge this fall). We are preparing for it. The facts out there show there will be a strain (on agencies). Online alcohol sales are up 500 percent, anxiety is rising, inpatient care has been lowered tremendously, but domestic violence is skyrocketing," Brooks said.

"All the signs are there for an onslaught of more (mental health and substance abuse) cases," he said. "We know life will not be the same. Personal protective equipment will be a part of our lives for a long time."

Liesman said the Development Center's case workers and providers are dealing with a lot of client stress, anxiety, post-traumatic stress disorder and trauma.

"It is overwhelming. We have 4,000 active clients and are in contact with 3,500. There are 500 we can't reach. We have been going out to look for them" to continue treatment, said Liesman, who also is co-chair of the behavioral health and wellness collaborative.

In a survey this month, the collaborative found among its agencies: 38 COVID-19 client deaths, 202 positive COVID-19 clients, one agency staffer death and 39 positive staff cases. Revenue lost per month averaged about \$250,000 per agency for nine reporting agencies, and furloughs totaled 199, averaging 20 employees per agency of the reporting 10 agencies.

McRill and Liesman said most agencies are down 25 percent to 40 percent in case visits and revenue. They say agencies and staff are stressed and nearly at the breaking point.

"Most clinics have shut down some programs and services, laid off a lot of staff," McRill said. "There is no back-to-work plan for mental health workers. When this is over, our workers and clients are facing more trauma, more depression, more child abuse. There will be a greater need for services."

From a financial standpoint, Liesman said the Development Center and other agencies need emergency funding increases and a long-term increase to serve people's mental health care needs.

"If this continues for 18 months, I don't know if we will be in existence without assistance," Liesman said. "We have had Band-Aids for eight weeks. We expect (COVID-19) to come back in waves until we get a vaccine."

McRill said the payments agencies receive are too low to cover care, especially as costs have risen because of the COVID-19 crisis. She said agencies are paying thousands of dollars for personal protective equipment, laptops for mental health telemedicine and additional hazard pay for workers, all of which currently aren't reimbursed.

"Most organizations are unlikely to sustain themselves. We are not receiving the amount of revenue necessary for the services we are delivering," said McRill, adding that the revenue crunch will hit the hardest this summer.

"We had 25 layoffs in the beginning. We had to close our congregate program, skills program, cut back on transportation staff and support," said Liesman, who added she is looking at laying off another 30 to 40 clinicians if funding doesn't arrive soon.

Brooks said DWIHN, which provides the bulk of the funding for the Wayne County agencies, has been running a deficit recently because its costs have skyrocketed, including \$21 million additional autism-related expenses.

"We are burning our reserves because of autism" and residential home costs, Brooks said. "We were looking at reducing rates 7 percent this year, then postponed them, and asked the state for relief. We don't have any answers yet, but we recognized the problems."

Despite receiving a 2 percent boost from the state Legislature for Medicaid behavioral health and a 6 percent hike for autism this fiscal year, which began Oct. 1, 2019, most of the 10 regional public entities, including Detroit Wayne, are losing money because case loads and demand for mental health services have increased.

In 2019, a report shows the 10 regional public entities that fund hundreds of mental health agencies in Michigan lost \$95.7 million in 2018. This is in addition to losing \$133 million in fiscal 2017, according to the Community Mental Health Association of Michigan.

Bob Sheehan, CEO of the Community Mental Health Association, said he expects mental health and substance abuse issues to increase over the next several years because of the COVID-19 crisis and that more state funding is required. He said those without existing mental health issues are expected to experience increased anxiety or depression and services will be needed to treat them.

"Persons who had mild to moderate mental health issues, prior to the pandemic, whose symptoms are exacerbated by the isolation and economic losses" will need more outpatient psychotherapy that could include more psychotropic medications, including anti-depressants and anti-anxiety medications, Sheehan said.

On top of already serious financial challenges, many mental health agencies were hit by the coronavirus pandemic in mid-March. They immediately began to feel with impact with increased expenses for PPE, reduction in revenue as visits dropped and the need to develop alternate care, including telehealth and more at-home visits, to serve clients.

"Our goal is to push out more dollars (to agencies) and not save any reserves during this crisis. The problem is we have a 60-day delay in billing," Brooks said. "We are receiving bills (from agencies) in March and April and paying them out as we can."

By June, Brooks said hopes Wayne County agencies start to see an improvement in their cash flow. "They can see a decrease in (revenue), but we don't see an increase (in funding)," he said.

As the largest of the 10 regional prepaid inpatient health plans in Michigan, DWIHN has an overall budget of about \$780 million. It serves more than 73,000 people, including 82 percent Medicaid or Healthy Michigan, 11 percent non-Medicaid and 6 percent Medicare-Medicaid dual eligible patients.

Brooks said DWIHN has asked the state for a 7 percent increase in state emergency funding assistance, amounting to \$50 million. If it receives the funding boost, Brooks said, the network will pass it along to agencies.

Liesman said the Development Center has experienced a 25 percent decline in revenue the past two months. "Even if (Detroit Wayne) were to get 5 percent more (of \$780 million annual budget) that would be \$40 million and would go a long way to help us if it were pushed out to providers," she said.

Sheehan said he has spoken with MDHHS officials about gaining approval for "retainer payments," or funding to agencies at their historic funding levels, from the Centers of Medicare and Medicaid Services to address shortfalls.

"Without federal approval, neither (agencies) nor the prepaid inpatient health plans (including DWIHN) have the authority to make these retainer payments," Sheehan said.

Allen Jansen, MDHHS' director of behavioral health and developmental disabilities, said the state has requested a waiver from CMS to allow retainer payments to be made to providers.

"Retainer payments creates stability for the provider network and we are very supportive of it," said Jansen, adding the state hopes to have approval by the end of May. It would apply to all mental health providers in the state.

McRill said additional funding is needed now, but most providers in Wayne County have been underfunded for behavioral health services for years.

"Wayne County is unlike most counties. (DWIHN) changed reimbursement from capitated (per member per month) to a fee-for-service (model) based on visits," said McRill. "This model doesn't work well in mental health populations. We spend a lot of time in indirect time that we aren't reimbursed for."

Carol Zuniga, executive director with Hegira Health Inc. in Livonia, said COVID-19 has led to a 20 percent reduction in revenue and its residential services were reduced 65 percent because of social distancing to 24 patients from a typical 41 patient daily census.

"We provide crisis services and our detox residential services have been cut tremendously because we had no PPE. Like everyone, we were unprepared to provide everybody with PPE," Zuniga said. "We had a staff member and two patients die in the initial month. We have it under control now, but our revenue has been decimated."

In March, Zuniga said 20 employees were furloughed and another 25 part-time workers were cut back to zero hours. After receiving funds from the Payroll Protection Program, she said Hegira is back to full staffing, although she said about 50 employees are out sick.

Zuniga said mental health agencies would survive if Detroit Wayne paid Hegira and other agencies its historic monthly funding.

## **Personal protective equipment shortages**

Another issue the agencies say is extremely important is an increase in personal protective equipment. Most agencies have been forced to purchase their own PPE and the amount they have received from the state has been minuscule and insufficient.

Last week, Northeast received its first PPE shipment — but only 200 face masks, McRill said.

"We have spent thousands of dollars on cloth masks and gloves. We have some clinic sites still open because we have some chronically ill patients who need monthly injections of psychotropic medication and those needing their blood drawn," McRill said. "We have to keep those services open for adults."

Brooks said DWIHN only received 8.7 percent, or \$436,000, of the \$5 million the state allocated mental health agencies for PPE. He said the network has tried to support agencies with their PPE needs.

"Wayne County was hit the hardest by coronavirus. We have 40 percent of the COVID-19 cases in Michigan and 47 percent of the deaths," Brooks said. "We also serve 25 percent of the Medicaid population. The numbers don't add up."

Jansen said MDHHS used a formula to allocate PPE to the state's 46 community mental health agencies that included the number of COVID-19 per capita cases by county (70 percent) and the county health rankings (20 percent). Other factors included people with disabilities and substance abuse issues.

"We used this model as it makes the most equitable framework we could use for community mental health (agencies)," he said.

Besides the \$5 million in additional funds to the 46 community mental health agencies in Michigan, Sheehan said the state has approved a \$2 per hour increase in wages of direct care workers in mental health for hazard pay.

Jansen said MDHHS also is waiting on federal waiver approval to increase direct care funding.

Sheehan said state officials and the association are aware of the financial, staffing and PPE shortages of agencies operating in Wayne County and other parts of Michigan.

Last week, Sheehan said more PPE was being distributed to mental health agencies from the state and other sources.

"In partnership with the National Council for Behavioral Health, 66 community mental health agencies ordered over 87,000 surgical masks. These masks are slated to arrive within the next few days," Sheehan said.

Jansen said the state is devising an online ordering method that agencies can use to apply for PPE. He said the shipment last week of more PPE should be sufficient for the time being.

"We don't have any current plans for more funding for PPE. The reason is because supplies on hand have improved," he said.

### **Shift to telemedicine**

In mid-March, when Michigan first started seeing increased numbers of COVID-19 patients, mental health agencies, along with many physician offices and other providers, switched from face-to-face appointments to online telehealth services.

Shortly afterward, on March 23, when Gov. Gretchen Whitmer issued her first stay home order, the state began to allow Medicaid to pay for telehealth appointments and DWIHN created billing codes for telehealth, Brooks said.

"Relaxation of telehealth rules was huge. Overnight we made that transition. We still do 10 percent to 15 percent face to face, but telehealth is here to stay," Liesman said.

Some face-to-face meetings are necessary, primarily to administer anti-psychotic medications or deliver such supplies as food or diapers, Liesman said.

"We had to convert very quickly to telemedicine," McRill said. "We have a much higher rate of engagement from children's services. Moms love having it. They don't have to go on the bus. Adults still like coming in. We never knew this before we started doing telehealth so much."

Liesman said few providers were trained in telehealth. "It is an artificial way of interacting. You have to be creative, especially for children. You can't just be sitting there. Children have trouble maintaining boundaries," she said.

While telehealth is useful for those who can connect, the visits are typically shorter than in-office appointments, which means agencies are billing much less for their typical visits.

"With children, appointments are less than 45 minutes, but we do it more often. Sixty to seventy percent of people want to come in person," Liesman said.

But some mental health patients don't have steady housing and often move around, making providing telehealth or maintaining regular care challenging.

"We purchased laptops for them and get them cell phones when we can. It gets very expensive," McRill said.

However, about 10 percent of clients don't have access to phones or Internet service, and emergency phone numbers don't always work, Liesman said.

"Usually we send out a case manager to locate a person. They are usually living with others. People are being exposed if they live elsewhere," Liesman said.

She said if a case worker isn't comfortable entering a house, they will talk through a door or window.

Many behavioral health clients require transportation. "We send vehicles with someone they know. Each time we need to sterilize the vehicle," Liesman said.

"The same thing with clinics. We have shut down some parts of the buildings. Each time we clean it costs \$8,000 to \$20,000. We have no funding. It all comes out of a deeply cut budget," she said

McRill said mental health workers are still going into homes to give medications and check on people. She said nobody knows how many mental health patients have died at home or in hospitals.

"Mental health conditions will get worse (including) PTSD, anxiety, depression," Liesman said. "There are so many people who have died or had the virus, some had good outcomes, but many more people will need counseling because of what we all have been through."