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POLITICS

Michigan Senate leader's plan to overhaul mental health system worries advocates

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Lansing — Michigan Senate Majority Leader Mike Shirkey has been crafting a proposal to reshape the state's \$3 billion mental health system, shifting the management of care for hundreds of thousands of residents from a publicly run program to private insurance plans.

The legislation, which is yet to be formally introduced, would affect individuals on Medicaid with severe mental illness, substance use disorders and developmental disabilities. The Clarklake Republican was initially hoping for quick movement on the legislation, according to an internal document about the proposal that's labeled "confidential" and has been shared with stakeholders.

The stakes are high with an overhaul changing the system that provides mental health care to more than 300,000 residents.

The fight over the change is expected to be fierce. Advocates who work on behalf of those with mental illness, like Kevin Fischer, said they're concerned the overhaul would put profits ahead of what's in the best interest of a vulnerable population. Fischer's son, Dominique, was diagnosed with a serious mental illness at age 20. Three years later, Dominique committed suicide.

"This quite frankly is a money grab. It's a money grab by the health plans," said Fischer, executive director of the National Alliance on Mental Illness's Michigan organization.

"These are public funds. These are federal funds. These are taxpayer dollars."

Supporters of Shirkey's proposal disagree it's a "money grab" by the private health plans.

They argue that by allowing the health plans, which already handle physical care for many of those on the Medicaid government program for low-income residents, to also handle mental health care or behavioral care, they would benefit the residents and ultimately lower costs on the physical care side.

In an interview last week, Shirkey said physical health problems can come from inconsistent mental health services. Dominick Pallone, executive director of the Michigan Association of Health Plans, argued an integrated benefit would mean fewer emergency room visits and lower hospitalization costs.

"A fully integrated physical and behavioral health system for Medicaid recipients will provide access to person-centered care, consumer choice, better transparency and ensure quality outcomes while continuing to be accountable stewards of Michigan taxpayers' dollars," Pallone said.

A larger debate over privatization, or the contracting out of a public service to private firms, looms over the matter. Opponents of the plan view Shirkey's proposal as a form of privatization, worry about the profits that health plans will capture and contend the system works best in the hands of public organizations.

"Behavioral health redesigned inclusive of integration must remain within the public mental health system," according to a document in response to Shirkey's plans from the Detroit Wayne Integrated Health Network.

Eric Doeh, interim president and CEO of the Detroit Wayne Integrated Health Network, said his organization provides services for more than 15,000 children and worked during the pandemic to increase outreach to them and provide face-to-face encounters. The public system is suited to care for individuals facing severe problems, reach out to those needing assistance and bring them to find help, its supporters say.

"Health plans are risk-averse," Doeh said. "They try to avoid risk as much as possible."

'Gearing towards integration'

The fight over mental health care in Michigan has been percolating for years. Some opponents to the so-called "integration" backed by the health plans are worried the battle will come to a head over the next 19 months as Shirkey, who's championed the policy idea, terms out of the Senate at the end of 2022.

More than \$3 billion was spent on mental health care for those on Medicaid in Michigan in Fiscal Year 2020, according to data from the nonpartisan state House Fiscal Agency. The vast majority of the money in the system flows from the federal government.

Shirkey's Senate office has privately shared a six-page document outlining the upcoming Senate proposal titled "Gearing Towards Integration."

Under the plan, the state Department of Health and Human Services would be required to contract with managed health care organizations to provide a "comprehensive Medicaid health care benefit package" in Michigan.

"Specialty Integrated Plans" would be responsible for claims payments, compliance, appeals, grievances, case management, care coordination and member services, according to the document.

Under the plan, there would be statutory protections against "profiteering," and the state would establish payment rates for the health plans. Savings would be reinvested in mental health services and other "innovative options to increase access to care throughout our state," the document says.

Shirkey disagrees with the description of the plan as a privatization.

Most of the services provided currently through the public system are offered by private entities that contract with public entities, he said. There is no pressure on the public entities to improve their operations because the state is the backup, the Senate leader said.

"It's a red herring," said Shirkey of the privatization arguments.

The safety net

Community mental health centers and 10 prepaid inpatient health plans currently manage Michigan's mental health system for those on Medicaid. The prepaid inpatient health plans distribute Medicaid funds to the community mental health programs, which are responsible for delivering services.

The entities overseeing the system are subject to the Freedom of Information Act, meaning they must respond to requests for public records, and the Open Meetings Act.

Robert Sheehan, CEO of the Community Mental Health Association of Michigan, said he

sees Shirkey's proposal as a full privatization of the system because private entities would be in charge through their contracts with the state.

"The CMH (community mental health) system is the state's safety net for mental health," Sheehan said. "Now, you're moving that safety net to a private insurance company."

One of the key questions is whether the health plans can provide the specialty services the public system offers, said Marianne Huff, president of the Mental Health Association in Michigan. Currently, the system can provide services such as housing for people who need it, help with employment opportunities and respite for family members, she said.

"Those are services that public mental health has a lot of experience in," said Huff, who argues access to those services will become more difficult under the upcoming proposal.

In the current system, individuals receive person-centered plans after their intake, said Sherri Boyd, executive director of The Arc Michigan, which advocates on behalf of those with intellectual and developmental disabilities. There's a budget for the services, and they are reexamined each year, she said.

"People who need long-term care and those services, you can't make money off those folks," Boyd said. "That's why there is a (community mental health) system. It's a safety net."

'More bureaucracy?'

People on both sides of the debate acknowledge the current mental health system has flaws, but the disagreement focuses on how to solve the problems.

More money needs to be invested in the current system and there needs to be more oversight, Huff said. The system can be hard to navigate, she said, and there is no uniformity across the state on what services a person can get.

An individual might be provided a particular service in one county but be denied the same service in another county.

But there are risks in a complete overhaul of the current system, Huff said.

"Disruption leads to disorder, which can lead to chaos," she said. "It's kinda like, what is the disruption and chaos going to mean for these individuals who already can't get

services? How long is it going to take for them to get it right?

"Is it going to be even more bureaucracy? We do not need more bureaucracy."

But Pallone and Shirkey said the COVID-19 pandemic has increased demand for mental health services, and quality and access issues have been exacerbated.

"What has changed is the status quo is no longer acceptable," Pallone said.

He rejected the idea the health plans couldn't provide the same services the public system does, arguing the plans could work with the same contractors currently used.

Having differing systems for physical health and mental health creates a barrier for those in the system, Pallone said. He used the example of someone with a drug abuse problem showing up at a mental health facility. The drug abuse problem might be caused by a physical ailment, such as a back problem, he said.

"Right now, the two systems don't talk, and patients are often confused about where they should go," Pallone said. "The ability to manage both areas and treat the enrollee holistically ultimately provides better health outcomes for the enrollees who fall into this population."

Influential health plans

The Michigan Association of Health Plans is an influential group in Lansing with multiple political action committees that support candidates and causes. Some supporters of the current community mental health system are worried about the group's connections.

One of the health plans' PACs gave \$10,000 to the Michigan Citizens for Fiscal Responsibility, a nonprofit tied to Senate Republicans, and \$5,000 to Michigan! My Michigan!, a nonprofit tied to Shirkey, in the first months of 2021, according to campaign finance records.

Both of the two nonprofits have been among the top donors to the Unlock Michigan campaign to permanently repeal a state law that allowed Gov. Gretchen Whitmer to declare a state of emergency and impose restrictions during the pandemic over seven months before the Michigan Supreme Court struck it down. The Unlock Michigan effort is backed by Senate Republicans.

"MAHP has no position on the Unlock Michigan proposal," Pallone said. The Advocacy PAC has not donated to the effort and is not in any way earmarking its various contributions, he said.

"The MAHP Advocacy PAC is transparent and files its required reports with the Michigan SOS," Pallone said. "As a general position, while it is not directly related to our mission, MAHP would welcome further legislative reform on campaign finance and lobby reporting transparency."

Under the draft plan of Shirkey's proposal, which could still change before introduction, the state would phase in integration starting with children and those with severe mental illness. The state would then integrate services for those with substance use disorders and then for those with intellectual disabilities.

"The department must not deem a phase as successful unless and until statistically significant improvements in service delivery, health outcomes and access have been achieved," the draft plan says. "Without being able to achieve measured improvements in key metrics, additional phases shall not commence."

Shirkey said the current system is "fragmented" and features inefficiencies.

He plans to introduce his proposal, which he labeled "vitaly important," sometime between the end of May and the end of June, he said.

Fischer of the National Alliance on Mental Illness Michigan group will be among those working to block the legislation. He called it "reprehensible" that such a proposal will be introduced as the COVID-19 pandemic continues.

"I believe his goal is to ram it through," Fischer said of Shirkey.

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