

## Susan Frey

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**From:** fred.a.cummins@gmail.com  
**Sent:** Tuesday, March 15, 2022 6:27 PM  
**To:** Susan Frey  
**Cc:** Rep. Donna Lasinski (District 52); Rep. Felicia Brabec (District 55); Rep. Jim Ellison (District 26); Rep. Samantha Steckloff (District 37); senjmoss@senate.mi.gov  
**Subject:** Comments to the Appropriations Subcommittee on Health and Human Services

Dear Ms Frey

Please accept my public comments, below.

Fred Cummins  
President, Alliance for the Mentally Ill of Oakland County

### Comments to the **Appropriations Subcommittee on Health and Human Services**

Regarding SB 597 and 598 to create SIPs to replace CMH and similar efforts to give the business to insurance companies.

Effectively, the mental health system has become a Medicaid-funded system. The SIPs will combine the mental health, Medicaid funding along with the transfer of Medicaid physical health care of the same recipients from the Medicaid physical health care HMOs. The combined Medicaid funding will come through and be managed by insurance companies. This outsourcing is rationalized as a move to reduce costs by “integrating” mental health and physical health care. Of course, insurance companies don’t integrate physical health care today, but they do know how to make health care produce a profit.

These bills would create a Medicaid mental healthcare system that is run by insurance companies. It is not clear what happens to people who do not have Medicaid. Theoretically, those persons have private healthcare insurance, but even if they do, that coverage does not address the needs for mental health services. Insurance parity is supposed to require insurance companies to cover mental health care at the same level they cover physical health care, but, even if they did, that coverage would not meet the needs for intensity and longevity that are required for most people with serious mental illness. Furthermore, there are at least 100,000 Michigan citizens in need of mental health services, who receive none. That will not change.

This is not simple privatization of the system, which is a problem of accountability and profit-taking, but it brings no expectation of reforms that are long-overdue to public mental health services and creates new problems. For example:

- Because the mental health system has become a Medicaid services system. This means that, as today, unless you have Medicaid, you will be unlikely to obtain services (you may get services if you are in a mental health crisis and have no healthcare insurance, but services will likely be short-term unless you are in poverty and can get Medicaid).
- If you receive new assets (such as an inheritance or a lawsuit) or you get a job that pays a living wage, you will likely lose Medicaid along with your mental health services—this is a current problem that will not go away.
- The proposed system would be required to provide recipients with a choice of SIPs. That suggests that, across the state, there will be competition to provide “good services,” but the primary competition will be to engage the cheapest to serve recipients. At the same time, a potential recipient will not have the information to make a

good choice. Larger population areas will have more, alternative SIPs, each with their network of approved providers that cooperate with their profit-making service decisions.

- As a result, hospitals, police, schools, courts, other human services must deal with multiple mental health providers, and nobody will be responsible for those people who don't have Medicaid or otherwise fall through the cracks except the state-funded crisis management services, who will try to get new recipients assigned to SIPs, who don't want difficult recipients.
- The SIPs will be accountable to the insurance companies, not to the communities they serve. The insurance companies may not be based in Michigan and are most concerned about profits. If they don't make a profit, they will walk away, leaving Michigan with a destroyed, public mental health system.
- There is no mental health intervention or interest in helping children in schools who have mental health problems, nor will there be interest in the proposed system. No interest in preventing problems like the Oxford Highschool killings when there were red flags of mental health problems, or engaging people with significant symptoms who disrupt the lives of their families, neighbors, schools and others, and who are denied the potential to mitigate their symptoms before they become worse.
- Many of these people who don't have mental health services could, with proper treatment, return to normal lives instead of ending up homeless, in jails, in prisons or worse. At the same time, many of the people who do receive services do not improve to their potential, because the current system priority is to control costs—recovery is not a priority, nor are workers trained to promote recovery.
- Private insurance companies are required to provide parity in coverage for mental health care, but even if that was provided, it would not cover serious long-term and intensive service needed by many people who suffer from mental illness.
- Hospital emergency rooms are overloaded with persons in need of mental health hospitalization because (1) those hospitals who accept public mental health patients do not want difficult patients, (2) they are not paid nor staffed to meet the needs of severely ill patients, particularly those who need longer-term hospitalization, and (3) there are insufficient state hospital beds to serve the people who need long-term hospitalization—local hospitals are only designed for acute care (short-term, crisis resolution).
- Direct care services are contracted by each CMH, fragmenting the system, restricting choice, creating unnecessary provider complexity and costs, and limiting corrective actions. The larger CMH organizations, Wayne, Oakland and Macomb, have each consolidated contracting that was formerly delegated to their core providers. This is an improvement, but the system is still fragmented, and contractual agreements and limited choices limit CMH organizations to properly resolve of recipient rights violations or other problems. More SIPs and multiple insurance companies would further increase fragmentation of the system and recipient rights would become less effective in order to avoid problems.
- The proper solution, for both the current system, and, in an insurance company takeover, would be for all direct care contracts, along with oversight, management of vacancies, payment for services delivered, and resolution of recipient rights violations, should be consistently managed by MDHHS with consistent rates, practices, and record-keeping systems. This would result in substantial savings from economy of scale and consistency of rules and reporting procedures, and people receiving services would be able to access similar services, with more options, anywhere in the state. Also, it would ensure that MDHHS has direct responsibility for quality of direct care services and the qualification and compensation of the workers. The current bills do not address the need for improved quality, accountability or economies of scale.
- The lack of timely, adequate care means children with mental health problems will continue to be ignored, and many persons with mental illness will become criminal justice problems, potentially committing violent crimes, and end up in jail or prison or worse. This will not change, or become worse, with insurance companies in charge.

The bottom line is that we do not want to turn the system over to organizations that (1) do not know how to provide mental health services, (2) do not want to do anything better (but may be better at covering up the problems), and (3) want to make a profit from a system that is already, seriously, underfunded.

We currently have “managed care” that demands the following of CMH organizations: do what you can with an inadequate budget, inadequate staff, under-paid direct-care workers, rejection of persons who don't have Medicaid or

are not yet in crisis, and provide inadequate care in order to comply with the inadequate budget, even though such practices continue to incur and sustain unnecessary costs.

Instead, we need a mental health system that is a legitimate community service where each CMH addresses the mental health needs of all citizens in the communities of their geographic catchment area, regardless of individuals' healthcare insurance, and does that in a timely and responsible manner. They must have a budget to meet the needs with fee-for-service rates (pay for what you get), with quality, professional care as the first priority. No more priority of budgets instead of people. Persons in need of services would suffer less severe symptoms and many of them would become productive citizens. In addition, with proper care, many current recipients would also improve so they would require less expensive care—long term reduced costs and improved quality of life for persons with mental illness and many others whose lives they touch, including the employees of the mental health system.

If we fix the mental health system, we will reduce costs in the long-term, but the transition will increase costs due to services for additional persons served in the short term. We could intervene before people become seriously ill. We could provide responsive care to children in schools before they get in serious trouble, and we could help them become successful adults. We could help families who can't find help for a mentally ill family member until they become a danger to themselves or others, or worse. We could help all the persons who otherwise lose their jobs, become homeless, become a problem for the criminal justice system or commit more serious acts of violence.

The legislature is sitting on a \$7 Billion surplus from Federal Covid funding. Getting a mental health system on track to provide "true, community mental health" is the best way to spend some of the budget surplus.

This attempt to outsource the mental health system, with false claims of better care for less, will not go away, nor will much unnecessary suffering and more serious problems be properly addressed, until the system is funded and **transformed to do it right.**

Fred Cummins  
President,  
Alliance for the Mentally Ill of Oakland County