Chairman Burke, Ranking Member Goyal and members of the House Finance Subcommittee on Health and Human Services, thank you for the opportunity to provide testimony today on the state budget for fiscal years 2012-2013 for the Ohio Department of Alcohol and Drug Addiction Services (ODADAS) and the Ohio Department of Mental Health (ODMH). My name is Hubert Wirtz and I am the CEO of the Ohio Council of Behavioral Health & Family Services Providers. The Ohio Council represents 160 private, nonprofit organizations that provide addiction treatment/prevention, mental health and family services to over 600,000 Ohioans in communities throughout Ohio.

Mental health and substance abuse prevention, early intervention, addiction treatment and wellness services are an important investment in Ohio’s overall system of health care. Timely access to these services, often integrated with physical health care services, reduces avoidable, costly hospital emergency room use; reduces costly and often unnecessary involvement with the criminal justice system; reduces unnecessary nursing home stays; enables children and youth to be successful in school; and helps people recover from illness, which enables them to be productive, tax-paying citizens.

Unfortunately, over the past three years, the behavioral health system has received disproportionate funding reductions that has resulted in a fractured system that is barely sustainable with significant cuts in service capacity and the loss of over 10% of the workforce, many of them skilled clinical positions. Over a decade of under-financing cut the “fat” out of the system. The last three years cut into much of the “muscle” and moved Ohio’s community behavioral health system from one of the best to less than average in national rankings.

We are encouraged by many aspects of the health care policy direction in the proposed “Jobs Budget” and the focus on protecting Ohio’s most vulnerable citizens. We have long supported many of the public policy proposals from the Office of Health Transformation (OHT) that focus on better health care, improved care coordination, integration of behavioral and physical health care and rebalancing long term care and home/community-based service options. Elevating Medicaid is a first important step toward integration, and it ensures that local levy funds can be used for non-Medicaid patients and the support services necessary to move people toward recovery.

However, there are elements of this budget that are focused on a fiscal, cost-containment framework that will result in reduced service capacity, further fragmentation of a continuum of services and supports (critical for future Health Home service delivery models), and poor clinical outcomes due to reduced client access to services, particularly for those children and adults most at risk or with the most serious and complex treatment needs.

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Maintaining a marginally adequate investment by the state in general revenue funds is critical, and this proposed budget does not do that. To that end, we recommend the following:

- Invest an additional $16 million per year in ODADAS line item 401 to support non-Medicaid addiction treatment, prevention and education services. This is critical to maintaining adequate community service capacity as the state implements policies around prescription drug abuse, sentencing reform, care integration and better care coordination. It should be noted that nearly 65% of people served with ODADAS funding are not Medicaid eligible.
- Invest an additional $15 million per year in ODMH line item 505 to maintain current levels of funding to support non-Medicaid service and supports in order to support the right state policy directions and help reduce some of the high cost and unnecessary utilization of hospital care, emergency departments and nursing homes for disabled persons under age 65.
- Invest an additional $45 million per year in ODMH line item 501 to maintain access to medically necessary Medicaid services for adults with serious mental illnesses and children with severe emotional disorders. ODMH could use these additional funds to manage a yearly benefit limit across the Medicaid services with the provider at risk for medically necessary use of additional services subject to retrospective, post-payment review.

This latter recommendation is based on serious concerns about the unintended consequences of the benefit/utilization limits proposed by ODMH to achieve a $243 million cost reduction over the biennium in the Medicaid program alone. To be clear, the Ohio Council fully supports Medicaid benefit limits and the state having utilization management tools. However, tiered rates; combining services like group/individual counseling in a single limit; access to services for seriously ill adults who have exhausted their benefits; the unknown cost of prior authorization procedures; and unknowns about how real-time benefit limit management will occur using the state’s claims data system will result in providers often not being able to provide services to adults and children needing the highest level of care. Earlier I mentioned that long-term under financing and more recent budget reductions have cut the “fat” and much of the “muscle” out of the system. These changes could begin to cut into the “bones” of this system as additional critically needed services, capacity and workforce are cut.

This will likely result in providers serving more people with less severe needs, while those with higher service needs will end up in hospitals, in emergency departments, in jails or on the streets. This particularly concerns the Ohio Council with regard to children and youth since OHT’s own Medicaid data shows that Ohio spends nearly 22% less on children than the U.S. average. We are particularly concerned about benefit limits on foster kids and those in residential care since they are some of the most severely ill and traumatized children in Ohio.

I want to emphasize our appreciation for the opportunity for input and open dialogue with ODMH and ODADAS over the past several weeks. The Ohio Council fully supports the health care policy directions embedded in HB 153 and the focus on addressing prescription drug abuse, sentencing reform and reducing the cost of Ohio’s Medicaid “hot spots”. We want to ensure that a cost containment state budget does not lead to more erosion of critical services to those most in need; loss of additional skilled workers; and increases in costs in those areas that this budget is focused on reducing.

There are five (5) representatives of behavioral health provider organizations that will follow my testimony and give their perspective on the proposed state budget. I want to note that you also have written testimony from Wingspan Care Group in Cleveland since they were unable to attend the hearing. Their testimony focuses on the unintended consequences of the Medicaid benefit limits as proposed on children, particularly those with serious emotional disabilities. I would encourage members of the Committee to read their testimony. Thank you.