Testimony to Senate Committee on Ways and Means on FY 2017 Budgets for KDHE and KDADS

534 S. Kansas Ave, Suite 330, Topeka, Kansas 66603
Telephone: 785-234-4773 / Fax: 785-234-3189
www.acmhck.org

Kyle Kessler
Executive Director
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Mister Chairman and members of the Committee, my name is Kyle Kessler, I am the Executive Director for the Association of Community Mental Health Centers of Kansas, Inc. The Association appreciates the opportunity to provide written testimony on the FY 2017 budgets for KDHE and KDADS.

The Association represents the 26 licensed Community Mental Health Centers (CMHCs) in Kansas that provide behavioral health services in all 105 counties, 24-hours a day, seven days a week. In Kansas, CMHCs are the local Mental Health Authorities coordinating the delivery of publicly funded community-based mental health services. As part of licensing regulations, CMHCs are required to provide services to all Kansans needing them, regardless of their ability to pay. This makes the community mental health system the "safety net" for Kansans with mental health needs, collectively serving over 127,000 Kansans.

We appreciate the opportunity to provide testimony on the agency budgets for FY 2017. CMHCs around the state are inundated with demands. These range from trying to help alleviate the pressure on the state mental health hospitals to trying to help families with youth and adolescents who need crisis services. These demands are in addition to the day to day responsibilities they have providing treatment for mild and moderate mental health needs and work with community hospitals, law enforcement, child welfare providers and schools.

For the current year, we are estimated to see a reduction of nearly two million dollars from all funding sources as a result of the unilateral and unnecessary policy change in State Mental Health Screens recommended by the Kansas Department for Aging and Disability Services (KDADS). The Medicaid Screens Process had relied upon CMHCs to be gatekeepers in line with their statutory responsibility, so they could help determine the appropriate level of service a patient would receive. The changes to the Medicaid Screening Process have resulted in unprecedented waiting lists for Psychiatric Residential Treatment Facilities (PRTFs) as well direct admissions to behavioral health units in the few remaining community hospitals that provide these services. This has placed more pressure on state mental health hospitals and will substantially increase the funding needed to support additional inpatient treatment which will eventually be reflected in the Consensus Caseload Estimates.

For FY 2017, the amount of projected loss of revenue from the Medicaid Mental Health Screens will be between $2.7 and $3.0 million dollars.

The State made a commitment to the Health Homes Programs through the State Plan Amendment (SPA) submitted to the Centers for Medicaid and Medicare Services (CMS) in 2013. KDHE announced last Friday that this program will end officially on June 30, 2016, as a result of the recommendation in the Governor's Budget Report. This will result in a loss of an estimated $8.0 and $9.0 million dollars of revenue to CMHCs for FY 2017. Some of this loss may be made up when CMHCs return to billing Targeted Case Management (TCM), but we have not yet had the opportunity to conduct analysis on the effect of this change.

The loss of revenue for Medicaid Mental Health Screens and the Health Homes Programs equates to eliminations of services. Without the revenue to fund the services, the negative outcomes that occur from the elimination of Medicaid screens will be accompanied by an estimated loss of 200 jobs from our system around the state.

Thank you for the opportunity to submit this written testimony.