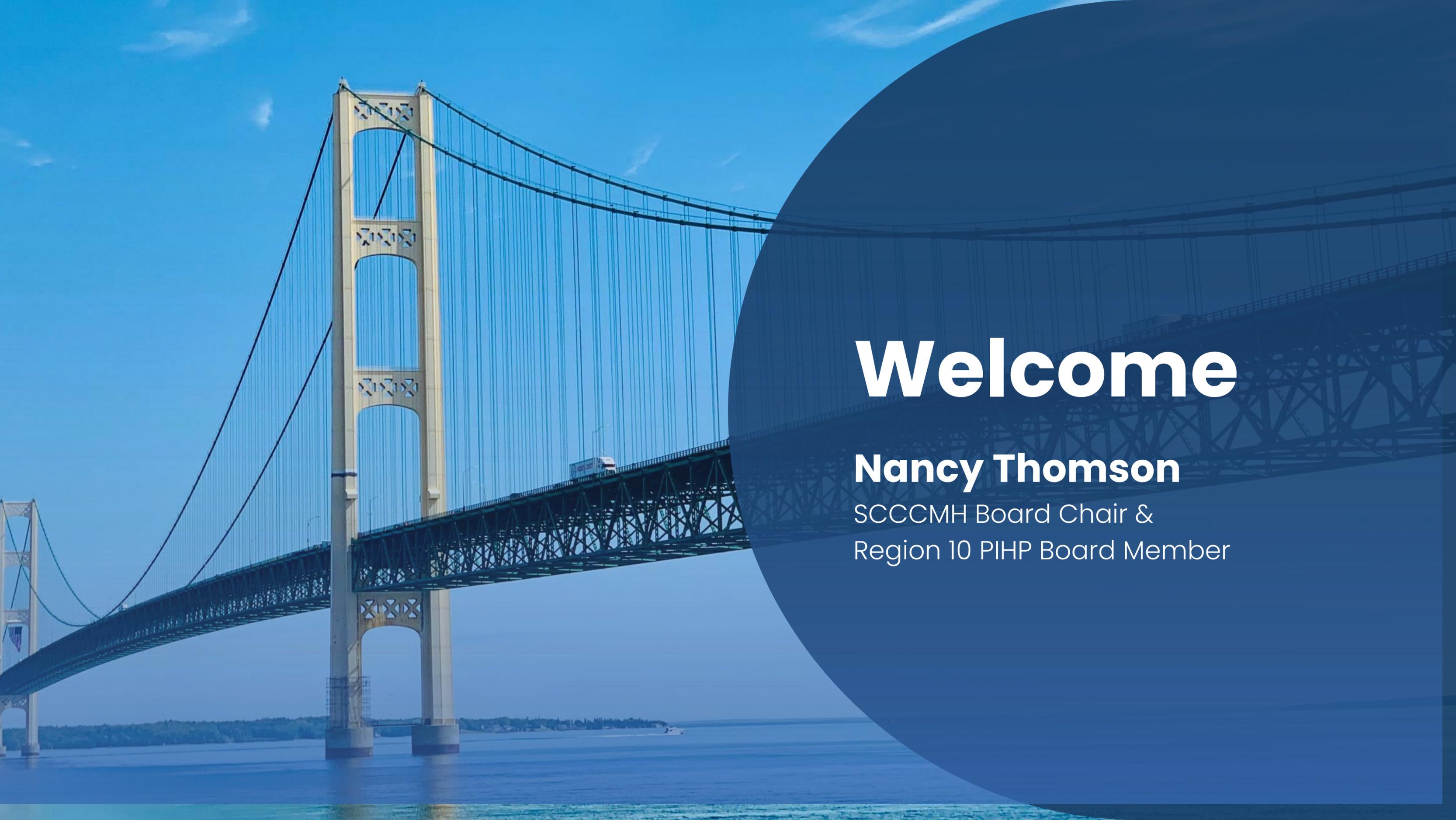


# Behavioral Health LEGISLATIVE BRIEFING AND BREAKFAST





# Welcome

**Nancy Thomson**

SCCCMH Board Chair &  
Region 10 PIHP Board Member

An aerial photograph of a modern, two-story building with blue and green siding. The building has a prominent gabled roof and a large window. An American flag flies on a tall pole in front of the building. The foreground shows a paved parking lot with several blue handicapped parking signs. The sky is bright with some clouds.

# Introductions & Opening Remarks

**Deb Johnson, CEO**

St. Clair County Community Mental Health

# Michigan's Public Mental Health System **at Risk**



**Debra Johnson, CEO**

St. Clair County Community Mental Health

**Traci Smith, CEO**

Macomb County Community Mental Health

# Competitive Procurement Threat to Public Mental Health

## *A System at Risk: What's Changing*



MDHHS plans to open a competitive RFP in the Summer of 2025 to manage the \$4 billion in Medicaid funding currently allocated to behavioral health care.



PIHPs and CMHs with 60+ years of experience providing care and who are accountable to local communities would be prohibited from bidding.



This could shift decision-making to out-of-state, for-profit entities.



This undermines Michigan's current public system, which is built on local partnerships and oversight.

# Legal and Statutory **Violations**



This plan violates federal law, requiring a CMS-approved state plan amendment, and Michigan's Mental Health Code, which mandates the state to promote and fund a robust Community Mental Health Service Provider system.



PIHPs were created in alignment with state law; excluding them overrides legislative intent and community voice.

# Transparency and Accountability **Lost**



Private health plans are not subject to the Michigan Open Meetings Act or FOIA, unlike CMHs and PIHPs.



Public oversight will be eliminated. Private entities will make care decisions behind closed doors.



# Financial Impacts

**Richard Carpenter, CFO**

Region 10 PIHP & MCCMH/PIHP

# Medicaid Cuts & the **Double Threat**

*A “one-two punch” to our system*



- The “1-2 Punch” of privatization + Medicaid funding cuts reduces the available funding for services in a way that might not be immediately apparent.
  - Privatization could eliminate \$500 million in FY2027 as the overhead for private entities equals 15%, compared to the current system overhead of 2%.
  - Federal reductions in Medicaid funding are likely to impact Michigan by as much as 12.5% starting in FY2028. Unless state general fund/general purpose is available, the impact on behavioral health Medicaid could be up to another \$550 million.
- In Summary, the compounding impact of both measures could reduce services available to beneficiaries by more than \$1 billion or almost 25% of the current available funding.

# Local Budget Implications



- The impact on the current PIHP and CMHSP system can be roughly estimated.
  - For **Region 10** and its four counties, potential reductions of \$40 million in 2027 and another \$50 million in 2028 result in a total impact of **\$90 million**.
  - For **Macomb County**, potential reductions of \$33 million in 2027 and \$38 million in 2028 result in a total impact of over **\$70 million**.
- The impact on other local budgets and safety net systems due to the reduction in services is impossible to estimate. Including:
  - Jail Diversion Programs
  - Drug Courts
  - Public Safety
  - Local Emergency Rooms
  - Mental Health Courts
  - Local School supports
  - Health Departments

# Local Impact Snapshots





# Macomb County



Traci Smith, CEO, Macomb County Community Mental Health

- More than 18,000 served in 2024. With a loss of funding due to privatization, at the same time as projected federal Medicaid cuts, MCCMH could serve 1,600 fewer people, or reduce the level of services.
- Reduction or complete loss of community-based solutions, such as gap funding for transportation and housing gaps, partnerships with law enforcement, Michigan Rehabilitation Services, and community housing networks
- Reduction of evidence-based programs that may be costly
- Small to medium-sized providers get less local support, increased administrative expectations from multiple health plans, or large non-profits
- Loss of progress being made in partnership with the community providers on universal quality audits, credentialing, and bidding



# St. Clair County



**St. Clair County  
Community Mental Health**  
*Providing Opportunities for Health, Wellness, & Connection*

## Debra Johnson, CEO, St. Clair County Community Mental Health

- FY24: Served 7,082 individuals, providing therapy, peer support, case management, psychiatric services, medication management, nursing services, skill-building classes, and more.
- FY25 Budget: \$114 million
- Potential impact: Up to 1,000 fewer individuals may receive care due to increased administrative costs that come with the private/for-profit provider and reduced Medicaid funding
- Community benefit services are not protected under privatized models and would likely be lost:
  - Mental health education/support in schools
  - Embedded clinician and training for law enforcement
  - Crisis debriefings for first responders, schools, and businesses
  - Professional training for healthcare and human service providers
- Other specialty services that support our individuals' recovery

# Lapeer County



Brooke Sankiewicz, CEO, Lapeer County Community Mental Health

- In FY24, 3,385 individuals were served
- FY24 budget was \$36 million
- Specialty Services are at risk
- Service and Program oversight
- Community relationships will suffer
- Lapeer County CMH is unique as they are a department of the county



# Sanilac County



Wil Morris, CEO, Sanilac County Community Mental Health

- In FY 2024, Sanilac CMH served just under 2000 individuals.
  - So far in FY 2025, 1965 individuals have been served, with three months left in the fiscal year.
- Affects of a procurement that sees a significant decrease in service funding due to administrative costs and profit in the private health care system:
  - Longer wait times to access care due to navigating multiple access/authorization systems.
  - An increase in local administration to manage several funding sources and potentially different service systems.
  - Across-the-board service provider reductions as the Procurement process does not require services through the CMH.
  - Significant impacts to community benefit services provided to the jail, schools, local collaborative efforts, and potentially affecting the viability of the CCBHC program.
  - The new regional entities could utilize out-of-county providers, increasing travel requirements, which significantly reduce access to care.

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# Advocacy Statement & Video Presentation

**Sarah Dobrowolski**, Clinician,  
St. Clair County Community Mental Health

**Voices from the Community**



**Who loses when we  
privatize care and cut Medicaid?**

*The faces behind the policy decisions.*



# Advocacy Call to Action

**Mark Hackel,**

Macomb County Executive

**Deb Johnson, CEO**

St. Clair County Community Mental Health

# Q&A Roundtable with Legislators



# Thank You For Joining Us

To stay up to date with current advocacy work, visit the **Community Mental Health Association of Michigan** at [www.cmham.org](http://www.cmham.org) or scan the QR code.

**SCAN HERE**

