



Quality Community Behavioral Health Services Since 1985

*"We help adults with mental illness
live their own best lives"*

February 24, 2016

Representative Paul Seaton
Chair, House Health & Social Services Committee
State Capitol Room 102
Juneau AK, 99801

Subj: Medicaid Expansion and Reform Bills (SB78, SB74, HB148, HB227)

Dear Rep. Seaton:

As a provider of both mental health and substance use disorder treatment services for over 30 years, I have a long-term commitment to ensuring that the organizations I lead are innovative, accountable, and provide the highest quality of care while operating efficiently and effectively. We strive toward excellence using Best Practices and innovation. We measure our outcomes to achieve the best possible results with available resources.

As Medicaid Expansion and reform bills and the budget closeout process moves forward, and decisions are made about systems of care and allocations of resources, please keep in mind the following important considerations:

1. Changes aimed at increasing access to services, including eliminating the requirement that providers have a behavioral health grant as a condition of being eligible to bill Medicaid, will decrease oversight and accountability of providers. This will broaden the potential for intentional or unintentional Medicaid fraud, waste, and abuse. Where would the monitoring control of all these new providers come from?
2. Removing the grant requirement so that anyone could provide behavioral health services will allow new providers to "cherry pick" who they see and what services they provide. Comprehensive community behavioral health centers serve a predominantly low or no income clientele and those who are un-resourced (most of whom are charged on a sliding fee scale with less than 5% of actual cost of care recovered). They provide care for the most high-acuity seriously mentally ill, chronic alcoholics/addicts, and severely emotionally disturbed youth – Alaskans often requiring community based case management services and requiring services from the Psychiatric Emergency Services programs. They are able to provide this level of comprehensive care with the limited resources available, in part, because they are currently able to balance higher cost services with more profitable services. If the grant requirement is lifted and competition grows for the more profitable services, a tipping point will seriously threaten the comprehensive behavioral health provider's ability to maintain high-acuity, high cost care.
3. How will the state ensure that a system of care remains available for those who need it as grant funding is reduced and there is no longer a sufficient economy of scale for non-profit providers to offer a continuum of care, and services that no one else wants to take on?

4. The services that are provided by Community Behavioral Health Centers and providers of substance abuse treatment are essential to providing a safety net to keep people from defaulting to the Correctional system, Public Safety, Emergency Department, homeless shelters (if they exist), or other entities/systems where the true cost of caring for them would far exceed the investment in these behavioral health services.
5. Finally, innovative practices have been or are being implemented across the state that have already shown results or show significant promise to address multiple problems and reduce overall costs. These include:
 - Housing First – provides housing and support services to chronic, late-stage alcoholics who have cycled through emergency rooms, hospitals, and jails. Reduces burden on Public Safety, hospitals, courts, and Corrections.
 - Integrated Primary Care Behavioral Health Clinics – persons with serious mental illness, co-occurring disorders, histories of trauma, and chronic health/medical conditions receive one-stop shop services designed to improve overall wellness, reduce expensive medical care and psychiatric hospitalizations, and increase independence in community.
 - Partnerships with the Court System to reduce costs – Community Behavioral Health Centers, substance abuse treatment providers, and others are diligently working with the Court System to mitigate correctional costs by offering specialty courts as an alternative to incarceration. Persons with mental illness or substance use disorders can choose treatment over incarceration, helping keep people out of our overcrowded prisons and reducing the likelihood of recidivism. Community Behavioral Health Centers also partner with Corrections to provide pre-and post-release behavioral health services to incarcerated seriously mentally ill adults to help make their transition back into the community successful to reduce recidivism.

These and other programs provided by state grantees could be lost if funding is cut too drastically and/or there is no grant requirement or other stringent oversight required for behavioral health Medicaid providers. I realize that you have a difficult task and deeply appreciate your diligence and hard work. If you have any questions or require more information, please don't hesitate to contact me.

Respectfully,



Pamela Watts
Executive Director
Juneau Alliance for Mental Health, Inc.