

SB 597 & 598: The Wrong Step At The Wrong Time

Dangerous, Costly & Bad for Michigan



Recent legislation sponsored by Senate Majority Leader Mike Shirkey attempts to reboot the failed section 298 effort from a few years ago. This legislation would privatize all Medicaid mental health services by giving full financial control, oversight, and decision making to for-profit insurance companies. Supporters of Senate Bills 597 & 598 make several false promises. Do not be fooled--these bills are a shell game--simply shifting who pays the bills for a small fraction of people in the Medicaid program.

CCGP



Care



Governance



Cost



Performance

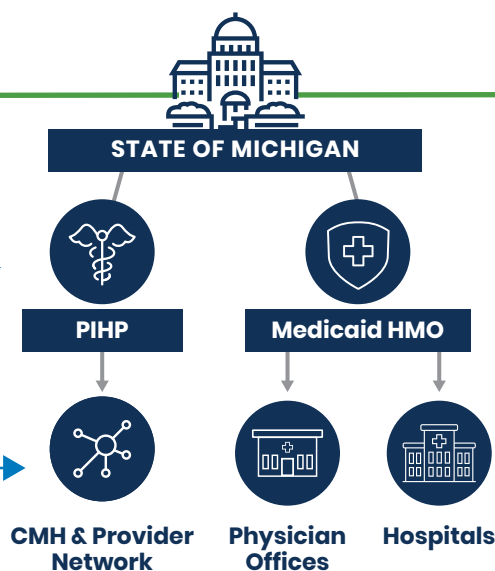
Care

Senate Bills 597 & 598 only focus on CONTRACTS and MONEY, they are NOT focused on people.

The only thing these bills integrate is funding. They do not integrate care and will not improve access to care or provide better outcomes for Michiganders.

SBs 597 & 598 focus on who is paying the bills

SBs 597 & 598 do not focus on providing or coordinating services



Cost

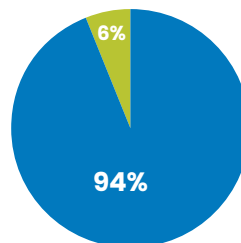
This proposal will dramatically increase the costs of services WITHOUT an increase in the services delivered. This will ultimately lead to an overall reduction in services.

Michigan Medicaid Health Plans showed record profits in 2020 with over \$550 million.

Health plans double the overhead of the current public system

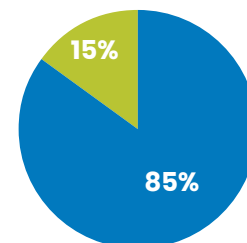
Current administrative overhead – Health Plans 12-15% vs Public Mental Health Systems (PIHPs) 6% = \$200,000,000 – \$400,000,000 MORE in costs without providing additional services or guaranteeing better quality or outcomes. Overall there will be less money available for needed services.

Resources for Care



■ Dollars for services
■ Public system admin

Resources for Care



■ Dollars for services
■ Health plan admin



Governance

Senate Bills 597 & 598 eliminate local control and local decision making from our communities and give our money and mental health care decisions to out-of state based insurance companies

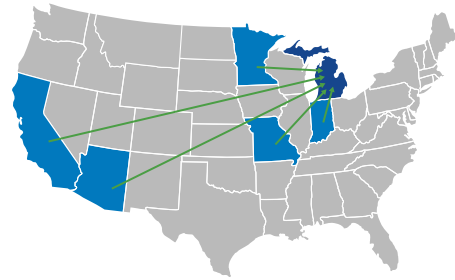
These changes will cause care decisions to be made in corporate board rooms hundreds or thousands of miles away.

Local County Board of Commissioners, sheriffs & judges will have zero input on decisions made for their communities by insurance companies. Who will they call during a crisis? A 1-800-NUMBER?

Many of Michigan's large Medicaid Health Plans are based in other states:

- Missouri
- Indiana
- Minnesota
- Arizona
- California

Decisions made elsewhere are impacting lives in Michigan.



Performance

Health plans do not have a good track record on behavioral health. Currently they are responsible for the Medicaid mild to moderate benefit for mental health services.

The 2021 National Committee for Quality Assurance (NCQA) annual report card rating for Michigan's private Medicaid health plans show that for the 8 key areas for treatment Michigan's health plans average less than 2.4 out of 5 stars in the "Mental and Behavioral Health" category. **This is a FAILING GRADE.**

In July 2019, the Health Endowment Fund Commissioned a report - Access to Mental Health Care in Michigan. **This report showed the area of greatest unmet need for Adults with Mental Illness (AMI) in Michigan is mild-to-moderate conditions, which was almost double the rate of more serious conditions such as bipolar or recurrent depression.**

