

## **Cuts in services for the developmentally disabled and the mentally ill**

### **How we got here:**

In early 2017, the state legislature cut about \$14 million from the rates paid to health care providers who accept Medicaid patients. These cuts have taken a toll on service providers' ability to accept and provide care for Medicaid patients, including people with disabilities. Health officials lowered the reimbursement rates providers get through Medicaid, cutting compensation for most services provided through mental health centers like Western Montana Mental Health by 3 percent. The hourly rate for case management work was slashed from \$72.88 to \$32.76.

But that was just the beginning.

During the fall of 2017, a \$227 million budget shortfall developed, caused in part by huge wildfire-fighting costs that summer and in part by lower-than-expected revenues. (The legislature had refused to consider any alternative revenue sources.) Gov. Steve Bullock was authorized to make cuts of up to 10 percent in state agency funding. Bullock eventually announced \$49 million in reductions at DPHHS (Department of Public Health and Human Services), which the Montana Legislature approved during its special session in November 2017. The \$49 million of general fund dollars cut in the special session also resulted in a cut of over \$60 million in federal funds, totaling nearly \$110 million cut in services to our communities.

In that special session, the Legislature approved an \$18 million cut from targeted case management for children and adults with developmental disabilities, as well as mental health needs substance use disorders. The special session also resulted in cuts of nearly \$12 million to in-home care for seniors and people with disabilities living in their own homes.

In September 2018, an improved budget picture allowed the state to undo some of the cuts, giving \$30.5 million back to DPHHS to restore Medicaid rate cuts and provide more money for targeted case management services. But funding is still well below 2016 levels.

### **Care organizations affected**

The state health department cut ties at the end of March 2018 with four private contractors who help people with developmental disabilities--A.W.A.R.E. Inc., Opportunity Resources, Helena Industries and Central Montana Medical Center. Some 2,700 people with developmental disabilities who got help from case managers were moved from private organizations overseeing their care to the state health department. Helena Industries, which shut its doors in April, had provided employment and rehabilitative services for more than 900 people with disabilities annually. Opportunity Resources, Inc. had to discontinue its case-management program for people with disabilities, closing its seven regional offices.

However, in mid-May 2018, A.W.A.R.E., Inc., based in Butte, was awarded the \$2.8 million statewide contract to provide targeted case management to about 2,500 Montanans with developmental disabilities. A.W.A.R.E.'s contract started June 1, runs 13 months, and can be extended a year at a time for up to five years. The organization will operate with about a 60 percent reduction in the Medicaid reimbursement it receives for services provided to clients.

### **Targeted case management for people with developmental disabilities**

Targeted case managers work with people age 16 and up who have developmental disabilities by helping them get necessary services and care. Basically, good case management makes all treatment more effective and allows more Montanans to live in their community instead of often expensive and isolating institutional settings. Case managers help people get and keep jobs, transition to independent living, and find doctors and therapists. They often assist clients with finding stable housing, trouble-shooting benefits paperwork, and checking on medications. They help clients navigate the transition from high school and living at home to entering the workforce and independent living. They can help secure housing by getting people Section 8 vouchers, and keep people in their homes by resolving issues with landlords and making sure people aren't taken advantage of.

Case managers can also help people find medical and therapy providers and make sure they get to appointments and take medication. In some cases, a person can have the same case manager for years or decades, building a relationship that creates a high level of understanding.

### **Mental health targeted case management**

Case management provides those with mental illnesses and developmental disabilities a predictable, personalized way of navigating complex bureaucracies to develop plans of care and to access the benefits, medical care, and other services that "make life sensible for people with mental illness."

But as budget cuts have reduced the rate at which providers like WMMHC are reimbursed for providing mental health case management by approximately two-thirds, it has become untenable for many of those providers to continue offering the service. Clients were assigned a state caseworker, whom the clients didn't know, and who may not even have lived in the same town. The disruption created confusion for the vulnerable population and depersonalized a process that works best when people build lasting relationships that can lead to long-term improvements in quality of life.

### **The consequences of the cuts**

As people have lost longstanding providers, they have increasingly started to seek care only when it reaches a crisis point by visiting emergency rooms to deal with mental health issues, "which is the most costly way to deliver health care" and which "isn't what an emergency room is for."

In addition to hospital emergency rooms, people with mental health issues are also increasingly finding their way into another setting that's not designed to house them: jails.

The Montana State Hospital in Warm Springs has also had to cope with the ramifications. According to a federal inspection released last year, "chronic, pervasive staff shortages" led to assaults on facility's staff and put the facility at risk of losing its federal certification. That has some observers concerned about what reduced localized case management services in Montana might mean for the state hospital.

"The emergency system is already overloaded," says Margie Seccomb of Action Inc. "Warm Springs is bursting at the seams. The jail is bursting at the seams. When people are in crisis and they act out in some way, they tend to end up in these kinds of places."

"Any purported cost savings are not really accurate because costs are simply being pushed to the local taxpayer or medical provider in the form of increased time and resources required to help people in crisis," Seccomb said. "If case management was still in place, most of these folks would probably never require our services and they would be in a much better situation."

Montana's primary response to mental illness was once housing patients at the state hospital in Warm Springs. The deinstitutionalization movement of the 60s and 70s saw the state shift toward providing all but the most severely ill patients services in their home communities. In practice today, that means most of Montana's publicly supported mental health care is delivered through a fee-for-service model, where private community providers offer crisis intervention or counseling and then bill the state health department.

In turn, most of the mental health money doled out by the state comes from the federally funded Medicaid program, which exists to provide health care services to low-income Americans. Missoula-based nonprofit Western Montana Mental Health, for example, funded \$27 million of its \$40 million budget through Medicaid in 2016, according to its annual audit report.

### **A ripple effect in the loss of services for Montana children**

Untreated mental health disorders can lead to school failure, family conflicts, drug abuse, violence, and even suicide. The Western Montana Mental Health Center (WMMHC) has partnered with Head Start programs to offer therapy and mental health support services for young kids and family members for low-income families. In Butte, for example, WMMHC and Head Start used to partner to serve low-income families with kids with social, emotional, and behavioral concerns. The state budget cuts ended this partnership, and the lack of these therapeutic services will have a harmful ripple effect through the school environment, the community, and for these children's lives as they grow up.

### **More unintended consequences.**

County sheriffs are concerned the pressure that these cuts to mental health services will place on jails and their police force. Flathead County Sheriff Chuck Curry told the Flathead Beacon, "Any time we start impacting community-based mental health services, it certainly impacts the jail population...Unfortunately, if we're not treating them in the community, they often do wind up in a facility such as ours."

The Missoula County Attorney's Office is equally concerned about lack of case management for Montanans with mental illness and particularly on Missoula's homeless population. Jordan Kilby, the attorney in the civil division of the county attorney's office, handles involuntary commitment cases and knows first-hand that case managers are important to keep people out of the prison system and state psychiatric hospital.

The medical directors at our community mental health centers across the state have loudly opposed the state's cuts to behavioral health services. Substance use disorders and mental health conditions overlap 80 percent of the time. According to Attorney General Tim Fox, one in 10 Montanans is dependent on or abusing drugs or alcohol.

Funding for more than half of the state offices of public assistance was cut and 19 offices closed at the end of January.

The closures mean that the state will save \$700,000 in general fund dollars over the biennium and will therefore cost the state over \$1 million in lost funding because of the lack of matching state dollars to draw down federal funds.

But these cuts are about far more than just dollars. Montanans will lose their jobs and many more will lose their local connection to access critical support systems.

OPAs are important community resources, providing in-person assistance for families and individuals applying for:

- SNAP (formerly food stamps),
- Temporary Assistance for Needy Families (TANF),
- Home heating (LIHEAP),
- Healthy Montana Kids,
- child care assistance,
- Women, Infants, and Children (WIC), and
- Medicaid.

The offices closed are located in Big Timber, Chinook, Choteau, Conrad, Cut Bank, Deer Lodge, Dillon, Forsyth, Fort Benton, Glendive, Livingston, Malta, Red Lodge, Shelby, Sidney, Plentywood, Roundup and Thompson Falls.

For parents such as Matthew Lambert, a Bigfork resident and father of two, applying for SNAP benefits took days longer than it should have because when he went down to the Kalispell Office of Public Assistance in person, there was a line of nearly 20 people in front of him. Lambert told the Daily Inter Lake that it took about 2 1/2 hours of waiting to speak with a representative to claim food assistance to help feed his two kids.

If clients do need handle paperwork in person, but their local office has closed, they will have to travel to other offices. As Montana Public Radio reported, someone like Raye in Livingston who does not have a car will have extra hardship to access help and benefits, which have been a lifeline to her as a domestic abuse survivor.

*Sources: Montana Budget and Policy Center, Montana daily newspapers*