

A Time of Opportunity:

Five Practical Cost-Effective Ways to Help Michigan's Community Mental Health System Now

A Position Paper by "The Provider Alliance" of the Michigan Association of Community Mental Health Services Boards

The Provider Alliance, an affiliate of the Michigan Association of Community Mental health Boards, represents more than 30 non-profit mental health agencies in Michigan, who serve thousands of adults and children with disabilities and at the same time employ thousands of individuals who provide these services.

The Provider Alliance network is an integral part of Michigan's mental health system, which provides a comprehensive network of services to promote consumer independence and inclusion in community life. The Provider Alliance membership helps provide local mental health services through a myriad of contracts with community mental health boards across the state of Michigan. The Provider alliance, for its part, recognizes its responsibility to embrace Person Centered Planning and will encourage successful self-determination models. We also recognize the need to promote strategic alliances among our membership in order to gain efficiencies and maximize dollars spent on direct services.

With the closing of the public psychiatric hospitals and developmental centers and the move towards managing the Medicaid specialty services benefit, this network of community-based services will become increasingly more important to the Michigan mental health system. We support the notion of specialty services at the local level under a single contract, where multiple policies, programs and payment sources come together to form a single comprehensive system of care. Critical to this comprehensive system is the network of non-profit mental health providers, working together to enhance the freedom and capability of persons with disabilities, thus assuring choices among services and support arrangements.

In this time of fiscal constraints and health care crisis, we feel that non-profit mental health providers play a critical role in the provision of mental health services in the state. We believe that our input is critical to the development of a successful, efficient, and effective system of care for consumers. We feel that in many cases across the state, budget deficits at the PHP and CMHSP level could be dramatically reduced if many of the services they currently provide were put out for competitive procurement.

Finally, we recognize that the uniqueness of the Michigan model makes it, in effect, a work in progress. Clearly there is much to be done in the coming years to make this a truly community-based system, which facilitates integration and inclusion for consumers.

We appreciate the many difficulties that lie ahead and feel that as a network of non-profit mental health providers, we can make a major contribution to continue to reduce costs while providing excellent community-based mental health services.

The Provider Alliance supports the new approach to managing Medicaid specialty services. We would like to raise a number of issues regarding these changes that will help stretch our funding and capture many of the efficiencies it was designed to capture.

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Introduction: The Problem and The Opportunity

This paper is offered in the interest of supporting Michigan's Community Mental Health system.

Michigan faces a huge budget problem. Many are offering solutions. We believe these tough times offer an important opportunity to "work smarter".

We, the members of The Provider Alliance, believe that although the challenges facing the mental health system may be complex, taking action on common sense, practical approaches will bring success in overcoming those challenges. ***We believe in the power of a very practical approach combined with determination to act now.*** This paper offers several practical suggestions.

Who We Are

The Provider Alliance is an affiliate of the Michigan Association of Community Mental Health Boards. We represent more than 30 Michigan non-profit mental health agencies. We serve thousands of adults and children with disabilities and at the same time employ thousands of individuals who provide these services.

The Key Point

It's very simple: The Community Mental Health system should focus on the needs of the person seeking services.

The reality is that CMH agencies, in an effort to comply with state and federal regulations, are entangled in an **increasingly complex bureaucracy**. Valuable resources are wasted. Funds are diverted away from service delivery to administrative processes. This bureaucracy continues to grow. In attempting to improve efficiency and accountability, agencies create more paperwork, more oversight committees and more regulatory requirements. This is simply **the wrong approach** to creating a system that must work for people with mental health disabilities.

We offer the following solutions.

Five Practical Approaches:

Solution 1: Adopt Deemed Status

The PRESENT REALITY: Wasteful duplication between national accreditation standards and a variety of CMH, PHP, and DCH standards and review processes is a hallmark of the current system. **This wastes valuable resources!**

The PRACTICAL APPROACH: Reduce wasteful duplication. Adopt the concept of deemed status for service providers. If the provider carries a recognized national accreditation such as JCAHO, CARF or COA, the provider should be exempt from meeting local requirements that simply duplicate processes of the national accrediting agency.

Our COMMITMENT TO ACTION: Early in fiscal year 2003-2004 The Provider Alliance will offer a model for implementing deemed status in CMH contracts with service providing agencies. A pilot project will be proposed.

Solution 2: Seek Simplicity and Uniformity

The PRESENT REALITY: Administrative processes are unnecessarily complex. Local CMHs adopt *widely varying approaches* to the same set of statewide DCH regulations or DCIS rules. Providers who contract with multiple CMH agencies must develop different compliance and reporting processes to meet these varying approaches. **This wastes valuable resources!**

The PRACTICAL APPROACH: Simplify administrative processes. Where there are central standards that govern practice or procedure statewide, apply simple uniform practices to meeting these standards. Examples include the following:

Example A: Uniform Billing

The PRESENT REALITY: Although there is but one set of HIPAA standards requiring uniform billing for services, the approach to meeting this standard varies widely between CMH agencies.

Providers who contract with multiple CMH agencies must develop different billing procedures to meet these varying approaches. **This wastes valuable resources!**

The PRACTICAL APPROACH: CMH agencies, through the coordinating mechanism of the MACMHB, should develop a single statewide approach to compliance with HIPAA billing requirements.

Example B: Training Requirements

The PRESENT REALITY: Although DCH has a list of curricula that are certified as acceptable in training direct support staff in licensed residential settings...and although the Department of Consumer and Industry Services (the licensing agency) has a single list of training requirements, local *CMHs develop their own training requirements* and impose these on residential services.

Further, the local CMHs *often refuse to recognize* training that has been completed under another CMH's jurisdiction *even when the training is current* and in strict compliance with DCH and DCIS standards.

Providers who contract with multiple CMH agencies must develop different training systems to meet these varying requirements. *This is true even when the type of services provided from county to county are essentially identical!* This, combined with the high staff turnover in residential service programs (a national problem), forces a situation of constant training of staff. **This wastes valuable resources!**

The PRACTICAL APPROACH: Adopt the DCH list of certified curricula. Permit provider agencies to use any of these to train their staff. Each CMH should accept training that has been completed under another CMH's jurisdiction when the training is current and in compliance with DCH and DCIS standards.

Our COMMITMENT TO ACTION: Most providers already have hiring, credentialing, supervisory, and training systems in place. These are the key mechanisms used to support ongoing staff competence.

Example C: Performance Indicators

The PRESENT REALITY: Although there is but one set of DCH performance indicators, local CMHs typically add indicators and require different forms for reporting these. The result is wide variation in quality assurance monitoring requirements among local CMHs.

Providers who contract with multiple CMH agencies must develop different quality assurance monitoring and reporting systems to meet these varying requirements. **This wastes valuable resources!**

The PRACTICAL APPROACH: Commit to simplifying administrative processes. Require providers to report on relevant DCH performance indicators only. Add indicators only when services are significantly unique. Use the coordinating mechanism of the MACMHB, to develop a single uniform approach to the reporting performance indicators by providers.

Our COMMITMENT TO ACTION: Members of The Provider Alliance will participate on any MACMHB workgroup convened to address this issue.

Example D: Financial Audits

The PRESENT REALITY: CMH agencies require that service providers complete an annual independent financial audit and undergo audit by the CMH agency. **This wastes valuable resources!**

The PRACTICAL APPROACH: Provide independent auditors with a statement of CMH requirements that are supported by law or contract language, and require that testing for those requirements be part of the independent audit.

Our COMMITMENT TO ACTION: Provider agencies will 1) continue to use generally accepted accounting practices, 2) continue to meet contractual requirements for fiscal management and, 3) will continue to fulfill plans of correction generated from citations in annual independent audits.

Example E: Contract Language

The PRESENT REALITY: DCH requires specific contract boilerplate language. CMH contracts contain the DCH boilerplate language, but often add extensive requirements from the local CMH.

Providers who contract with multiple CMH agencies must develop different administrative processes to meet these varying requirements. **This wastes valuable resources!**

The PRACTICAL APPROACH: Develop a single model provider contract for use by all CMH agencies, statewide. Base the contract on DCH boilerplate without adding elaborate local requirements.

Solution 3: Ensure Best Value

The PRESENT REALITY: CMS and DCH require implementation of best value purchasing as a way of ensuring that local communities get the best service for the best price. In the Michigan CMH system the concept of best value has been ignored, defined, studied, analyzed, debated, re-defined, re-studied, re-debated, re-analyzed....and not implemented for years.

All CMHs purport to maintain a competitive procurement system for letting contracts to providers of those services not directly operated by the CMH. The integrity of these procurement systems is rarely questioned and services operated directly by CMHs are almost never subject to a competitive procurement system. **This can cause the waste of valuable resources!**

The PRACTICAL APPROACH: Apply a uniform competitive procurement practice to the contracting of all direct services, even those directly provided by CMH staff. This is a simple easy step that will significantly advance the practice of best value purchasing *now*. The experience will help speed development of a more sophisticated approach to best value.

Our COMMITMENT TO ACTION: Early in fiscal year 2003-2004 The Provider Alliance will propose a uniform template methodology for determining best value in service contract procurement. The Alliance will also propose a model for administrative appeal and review when questions about the application of the best value methodology arise.

Solution 4: Focus on Individual Quality of Life

The PRESENT REALITY: Quality Assurance systems focus on reporting of key indicators and outcomes in the aggregate. Each CMH develops its own system. Many of these systems are becoming very complex and they are consuming increasing amounts of resources that could be devoted to direct service. Additionally, these systems serve to “bureaucratize” the approach to quality when such an approach should be rooted in the quality of life of the person served. **This wastes valuable resources!**

The PRACTICAL APPROACH: Move away from complex paper-driven QA systems. Rely on deemed status to provide the assurance of effective quality and performance management systems. Retain a very minimum set of standardized uniform core indicators of quality. Redesign the QA system to focus on *individual quality of life* and to more directly support *improvement in the life circumstances of individuals receiving services* when indicators are not met.

Our COMMITMENT TO ACTION: Members of The Provider Alliance will participate on any MACMHB workgroup convened to address this issue. Our participation will focus on helping to develop reporting protocols that make the highest and best use of provider resources while improving the quality of life for individuals served.

Solution 5: Invest in Workforce Development

The PRESENT REALITY: Many persons in the Community Mental Health system have severe chronic disabilities and will require long-term care. There is a well-documented nationwide shortage of persons entering the long-term care workforce. This is generally acknowledged to be a national crisis that continues to worsen. Workforce instability has a direct bearing on quality of care. Turnover rates of 40-60% are commonly reported. The financial cost of turnover (e.g. recruitment, training, re-training, reliance on overtime, etc.) is extreme and is very well documented. **This wastes valuable resources now and the waste will continue to grow unless the problem is addressed.**

Many groups are attempting to address this national problem. *Michigan's CMH and DCH leadership have not addressed this fundamental problem in a consistently focused and sincere fashion.*

The PRACTICAL APPROACH: Leadership in the CMH and DCH system must take up workforce development as a priority now. Addressing the problem must include attention to the issue of competitive wage in addition to the issues of recruiting and retention strategies.

Our COMMITMENT TO ACTION: Members of The Provider Alliance will participate on any MACMHB workgroup convened to address this issue. We are prepared to take a leadership role in this effort.

In Closing

Members of **The Provider Alliance** enthusiastically support the CMH mission of *“promoting, maintaining and improving a comprehensive range of community-based mental health services, which enhance the quality of life, promote the emotional well-being, and contribute to healthy and secure communities which benefit all of Michigan's citizens”*.

Members of **The Provider Alliance** want to contribute to building this important public service system by being “at the table” when issues important to the vitality and durability of the CMH system are discussed. This includes participation on committees and workgroups convened by the MACMHB, DCH, or any other organization for the purpose of supporting the Community Mental Health system.

For further information about **The Provider Alliance**, or to enlist the help and support of the TPA membership, contact Dr. Dennis Jacobs, TPA Chairperson, at 248-338-7458.

Respectfully Submitted,

The Executive Committee of the MACMHB Provider Alliance

Dennis R. Jacobs. Ph.D.
New Passages, Inc.

Lynda Zeller
Hope Network, Inc.

Cheryl Coleman
Northeast Guidance Center

Laura Pollaccia-Scanlan
Lutheran Social Services of Michigan

Robert McLuckie
Alternative Services, Inc. of Michigan