

# KANSAS MENTAL HEALTH COALITION

An Organization Dedicated to Improving the Lives of Kansans with Mental Illnesses

---

Testimony presented to the Senate Ways and Means Subcommittee on Social Services  
Re: Kansas Department for Aging and Disability Services Budget

*Amy A. Campbell – February 15, 2017*

Thank you for the opportunity to address your committee today on behalf of the Kansas Mental Health Coalition (KMHC). The Kansas Mental Health Coalition is dedicated to improving the lives of Kansans living with Mental Illnesses and Severe Emotional Disorders. We are consumer and family advocates, provider associations, direct services providers, non-profit and for profit entities and others who share a common mission. At monthly roundtable meetings, participants develop and track a consensus agenda that provides the basis for legislative advocacy efforts each year. This format enables many groups, that would otherwise be unable to participate in the policy making process, to have a voice in public policy matters that directly affect the lives of their constituencies. The opportunity for dialogue and the development of consensus makes all of us stronger and more effective in achieving our mission.

Today, I am speaking to you on behalf of the Kansas Mental Health Coalition. I also serve as a co-chair of the Adult Continuum of Care Task Force. This committee serves under the auspices of the Governor's Behavioral Health Council (GBHSPC) in an advisory role to the Secretary of the Kansas Department for Aging and Disability Services (KDADS).

The Kansas Mental Health Coalition appreciates the leadership at the Kansas Department on Aging and Disability Services and their ongoing communication with our Coalition members. KMHC has supported the agency's work over the past several years as they have worked to provide quality mental health treatment in a restricted budget environment. Unfortunately, Kansas is not making progress.

## **Funding for Community Based Treatment**

Mental health funding has been cut again and again since FY 08. Although you often hear that \$20 million was cut from mental health reform grants to the Community Mental Health Centers in past years, we forget the many other reductions to MediKan, general assistance, and children's programs. The more recent four percent reimbursement cuts, cancellation of health homes and cancellation of the Medicaid hospitalization screening policy have reduced personnel and programs at the CMHCs. Recently, KDADS cancelled the University of Kansas contract supporting evidence based programs and reduced the Wichita State University contract supporting consumer programs and training.

According to the Executive Summary of the Adult Continuum of Care Update: "The members of the ACC Task Force are discouraged at the continued erosion of the Kansas behavioral health continuum of care since the last report. While there have been positive developments, including Rainbow Services, Inc., and the creation of new crisis services in Wichita and Topeka, the overall system has degraded and cannot meet the statewide need."

"Kansans who need treatment through the behavioral health system are currently all too often unable to get the help they need. Community resources are strained, affecting both mental health treatment and substance use disorders treatment."

**The Kansas Mental Health Coalition supports the reinstatement of the \$20 million mental health block grant funding for community based mental health treatment.** This recommendation aligns with the Mental Health 2020 proposal by the Association of Community Mental Health Centers of Kansas.

## **The Kansas Mental Health Coalition supports the recommendations of the Adult Continuum of Care Task Force.**

1. *Enhance the continuum of care and provide alternatives and support to state hospital treatment by*
  - a. *Developing additional diversion and crisis services at the community level,*
  - b. *Establishing residential codes for tiered community-based services, including intensive outpatient treatment (reference Missouri model),*
  - c. *Discontinuing the practice of Medicaid termination when individuals are hospitalized or incarcerated and implementing a suspended benefit status to ensure the timely reinstatement of benefits upon discharge,*
  - d. *Implementing the NFMH Work Group recommendations, and*
  - e. *Rejecting policies that result in the further erosion of behavioral health resources.*
2. *Improve the quality of care of consumers by*
  - a. *Expanding access to certified peer support specialists in hospital and community settings by reinstating availability of training,*
  - b. *Incentivizing professional training and accreditation,*
  - c. *Developing academic partnerships, including residencies and internships for clinical staff and*
  - d. *Assuring quality training for hospitals and community providers.*

### **Support the KDADS request to fund Diversion Beds**

The Coalition supports the \$3.9 million enhancement for OSH Diversion Beds. The agency requested \$3.9 million, all from the State General Fund, for FY 2018 to continue to contract for additional inpatient psychiatric beds in the community due to the reduced number of inpatient beds available at OSH. It is important to note this is not new money. Funding for these diversion beds was originally approved by the 2015 Legislature and contractual funding was continued by the 2016 Legislature.

### **Support the KDADS request to expand crisis stabilization services -**

**Crisis Stabilization Centers Expansion.** The agency requested \$2.0 million, all from the State General Fund, for FY 2018 to expand the Crisis Stabilization Centers to other areas of the state. These centers would be similar to Rainbow Services, Inc., in Wyandotte County. Crisis Stabilization Centers would provide a variety of services, including sobering units for persons with substance abuse issues and crisis observation units and crisis stabilization units for short-term mental health treatment allowing for the stabilization of the patient before transitioning to community-based care.

KMHC supported the transformation of the Rainbow Mental Health Facility to a crisis stabilization center run by Rainbow Services Inc. This initiative is already reducing hospital admissions from Wyandotte and Johnson Counties and directing individuals with mental illness and substance use disorders to important community based services. Positive outcomes are also being experienced at the newly established crisis programs in Wichita and Topeka. Programs can be funded through contracts or through mental health center state expanded grants. Either way, the long term sustainability of these programs would benefit from a close review and possible amendment to the Medicaid reimbursement codes and payment policies to assure services are paid as needed.

KMHC agrees with the 2015 Adult Continuum of Care Report: “If Crisis Stabilization Centers are to be part of the state safety net system, the State must provide ongoing funding for these services. Without state funding, programs would be dependent on local governments and private funders to serve the uninsured, and sustaining the necessary array of services to prevent the need for a higher of level care or even the sustainability of these programs at all would be precarious at best. A safety net system of the state hospital and crisis stabilization programs is a delicate balancing act. If one component is lost, the ripple effect would be an overburdened system inadequately equipped to absorb the mental health needs of the most vulnerable, highest risk

population. And, unless the state supports crisis stabilization centers, the entire safety net system would be jeopardized if even one program shut down to due lack of funding.”

### **Other KDADS Enhancement Requests not funded by the Governor**

**Wage Compression Alleviation at State Hospitals.** The agency requested \$7.5 million, all from the State General Fund, for FY 2018. The agency reports difficulty retaining employees at all four state hospitals due to wage compression. The agency reports wage compression occurs when employees do not realize pay increases, so employees with years of experience are making the same amount as newly hired employees, which causes employee dissatisfaction and, ultimately, turnover.

**Records System Replacement.** The agency requests \$66.4 million, all from the State General Fund, to replace the patient management systems at all four state hospitals for FY 2018. The agency states all four hospitals are operated with outdated programs to manage electronic medical records, as well as patient billing systems, which poses a threat to competent and accurate patient care and reduces the efficiency and effectiveness of the respective finance departments’ ability to bill revenue sources, such as Medicare, Medicaid, and private insurance.

### **Caution recommended for Budget Cuts, Across the Board Cuts and Self-Funded Mandates**

Year after year, the agency has been asked to absorb across the board cuts or administrative reductions. The result has been a significant reduction to a number of agency contracts with advocacy organizations and service providers. Consumer organizations have been reduced as well.

One of the greatest strengths of the Kansas mental health system is its diverse funding resources. However, it is a disadvantage when across the board cuts are utilized and budget directors seek out State General Fund expenditures to reduce or eliminate. It is worth noting that Kansas’ current partnership with Heartland RADAC – providing substance use disorder treatment and screenings at Rainbow Services Inc is a new version of an old contract that was once lost to “across the board” cuts. This is only one example of a program that was lost during budget reductions in spite of its commendable outcomes. We are grateful the program was reinstated eventually.

Further, the Coalition urges extreme caution when taking carryover funds away from their designated purpose or ordering the agency to self-fund a variety of legislative priorities. These moves tie the hands of the agency to manage its own resources and hamper agency strategic planning. As pointed out by the Adult Continuum of Care Committee, we need to develop and work from a long term strategic plan in order to reverse course.

### **More Recommendations for Mental Health Policy – not included in Governor’s Budget:**

#### **Children’s Mental Health**

As many as 70,000 Kansas children under the age of 18 have a serious emotional disturbance, but not all of them will seek or receive treatment. These children are at great risk for school dropout, school expulsion, drug or alcohol abuse, unplanned teen pregnancy, and conviction of crimes. Kansas families whose children have multiple health needs (mental health, physical health and/or substance abuse) encounter many barriers to quality health care. Investment in an adequate array of community-based out-patient and residential mental health service options is necessary to assure that children receive the treatment they need to be successful citizens. Children’s mental health treatment is associated with a 20% reduction in the use of overall health services.

Currently, the SED Waiver may be the most useful tool to provide treatment and support to children with mental health disabilities and to promote recovery for the child and the family. Changes to the SED Waiver have been proposed and KMHC will monitor the program closely.

### **We ask the Legislature to do the following:**

- 1. Maintain at minimum the current array of services and eligibility for the HCBS waiver in KanCare.**

2. **Preserve CIF funding for Children’s Mental Health Initiative at \$3.8 million.**
3. **Maintain funding for adequate numbers of regional children’s psychiatric hospital beds--in locations close to home so families can participate in their recovery.**
4. **Ensure the current cost reimbursement methodology for PRTF’s is maintained and that the screening process and authorization time frames meet the needs of youth, ensuring the safety and well-being of the youth and their communities.**
5. **Continue to track the number of youth not screened into a PRTF, the destination of youth when discharged from a PRTF, and other data related to the care these youth receive post discharge.**
6. **Provide flexible funding streams that assure effective and timely wraparound planning and services close to home, and that provide continued care following discharge from any PRTF or hospital.**
7. **Fund coordination of care among providers and emphasize services and supports that maintain children with their family or other caregivers in their community.**
8. **Fund statewide parent education and services, including applications for Medicaid, SCHIP, and prescription assistance programs that help families care for children with severe emotional disturbances (SED).**

### **Consumer & Family Support**

Through strong advocacy, consumer and family organizations have gained a voice in mental health research, legislation, and service delivery. While the organizations representing consumer and family members differ in their origins and philosophy, all share the goals of overcoming stigma and preventing discrimination, promoting peer support groups, and fostering recovery from mental illness. Consumer peer support is an important part of efficient and effective healthcare delivery. When consumers are provided with the information and support necessary to promote wellness, the road to recovery is shorter and less expensive.

This summer, changes to the agency contract with Wichita State University place more of the cost for consumer run organizations’ support on the groups themselves.

**KMHC believes:**

**In light of agency reorganizations and the implementation of KanCare, consumers and families must have access to information and assistance from organizations unaffiliated with MCOs or providers.**

**KMHC supports maintaining dedicated funding for the consumer advisory council and annual recovery conference. KMHC also supports maintaining dedicated funding for the operation of consumer run organizations and statewide advocacy organizations.**

**Peer support programs come in many forms. These may serve as an alternative to, or complementary to, traditional mental health treatment options. In many cases, these programs are less expensive to operate or can reduce the costs of accompanying traditional treatment, such as hospitalization, medication or therapy.**

**Peer support works. Unfortunately, it is not available to many of the people who need it. As Kansas develops initiatives to improve behavioral health, peer support must be a part of those plans.**

### **Substance Abuse Treatment**

The State of Kansas funds substance use disorder treatment through the State match of Federal Block Grant funding and the State match of Medicaid funds. State funding of substance use disorder treatment through both these resources has been reduced since 2009. All available funds should now be used to ensure consumers receive necessary treatment including the problem gambling funds.

In 2007, Kansas passed the Kansas Expanded Lottery Act (KELA) and allowed for state controlled casinos in Kansas. This Act also established the Problem Gambling and Addiction Fund. The legislative intent of this Act was to support additional funding for addiction treatment and prevention programming. The Act specifically set aside 2 percent of the state gaming revenues for an “addictions fund” for use in a broader range of addictions,

address long-standing funding deficiencies and co-occurring diagnoses, and broad-based treatment and prevention services.

While approximately \$740,000 has consistently been appropriated for the problem gambling initiative, the Governor and the Legislature have continued to use these funds to match Medicaid funds and have provided no expansion in services. Instead of adding additional funding to increase needed treatment capacity, the funds have been used to replace state general funds.

Federal Block Grant funding and prevention funds need to continue to flow to treatment and prevention providers in the most effective manner to ensure the current provider network can maintain the means to treat consumers.

**KMHC believes:**

- 1. The State must recognize the significance of substance abuse issues on the child welfare system and the public safety systems and invest resources to reduce the increasing demands placed on those systems.**
- 2. Reductions in alcohol and drug prevention and treatment funding must be restored.**
- 3. The problem gambling and addictions fund should be used as required by Kansas Statute.**
- 4. The liquor tax fund should be increased to fund substance abuse and mental health treatment.**
- 5. The state's ten regional prevention centers are underfunded and they have not received a funding increase in over nine years even as expenses increase. This situation must be corrected. Funding for statewide prevention partners has also declined.**
- 6. Substance use disorder treatment is a growing and critical part of the public safety system through the Justice Reinvestment Act, Senate Bill 123 treatment instead of incarceration, and DUI treatment. Those systems and appropriate funding should continue.**

### **Mental Illness and the Criminal Justice System**

An unintended result of the massive reduction in state hospital beds during the last decades of the 20<sup>th</sup> century was the parallel growth in the proportion of people with mental illnesses incarcerated in local jails as well as state and federal prisons. One recent review of the scientific literature revealed that, nationally, 6 to 15 percent of people in city and county jails and 10 to 15 percent of people in state prisons have severe mental illness and a large proportion of them were homeless prior to arrest. U.S. Department of Justice data indicate that 24 percent of state prisoners and 21 percent of local jail prisoners have a recent history of a mental health disorder. KDOC data shows that from July 2008 to June 2009, 18% of inmates (1,558) were on psychotropic medications. In that same timeframe, 1,037 inmates were newly diagnosed with an Axis I disorder or dual diagnosis. In 2007, of the 5,008 inmates released, 10% had a serious mental illness and another 10% had a severe and persistent mental illness. Other investigators estimated that the percentage of inmates who are seriously mentally ill with schizophrenia, bipolar disorder, or severe recurrent depression range from 6% to 15%, depending on the study and on the institution. The majority of these incarcerations are unnecessary, counterproductive to recovery, and permanently stigmatizing. They strain the capacity of both the criminal justice system and the mental health system to adequately serve Kansans. We criminalize mental illness by having five times as many beds for persons with mental illness in the criminal justice system than we have in our state hospitals.

A positive development has been the expanded training and utilization of Crisis Intervention Teams. CIT is a model of best practice for law enforcement personnel who work with persons who have a mental illness. However, when programs like CIT are successful, they result in additional referrals to community based treatment. Therefore, as we improve our law enforcement programs, there must be sufficient mental health funding allocated to support the increased caseload. The program has also been hampered by the moratorium on admissions at Osawatimie State Hospital.

Competency evaluations that are performed in the community reduce waiting times in county jails and the cost of transporting persons to state hospitals for these evaluations.

**The KMHC believes:**

- 1. Positive programs to move Kansas forward in addressing the mental health of people who are incarcerated in the state's jails and prisons must be developed and funded. They must include therapeutic care for offenders living with mental illness in the state correctional facilities and local jails, and effective discharge planning to ensure that incarcerated individuals with serious mental illnesses are linked to community-based services upon their release.**
- 2. Community liaisons and programs serving recently released inmates with community supports should be sufficiently funded to meet the need.**
- 3. Medicaid eligibility should be suspended rather than revoked during incarceration in order to facilitate prompt treatment options on release.**
- 4. The program providing competency evaluations at Larned State Hospital and within the communities should be monitored and report back to the Legislature regarding the efficiency of this process and its impact on waiting times.**
- 5. Mental Health Courts have proven to be an effective agency for early post-booking diversion of people with mental illnesses from the criminal justice system, while assuring access to appropriate treatment and support. In order to shrink the number of people with serious mental illnesses in Kansas' jails and prisons, both of these options should be encouraged, supported, and funded.**

**Supported Employment**

Employment is a critical ingredient in the recovery process for individuals with a serious mental illness. The Individual Placement and Support services (IPS) model averages a 40% placement rate in competitive employment compared to a 15% placement rate by centers that use other methods. IPS programs and other evidence based mental health practices help Kansans with a serious mental illness find employment and retain it. However, many individuals in the target population are currently being denied equal access to supported employment services due to the limited scope of the program.

While approximately 90% of the costs of implementing IPS can be covered by Medicaid, many centers lack sufficient revenue to offer the service or to expand the scope to reach a more significant portion of the target population.

**KMHC believes:**

**Kansas should help people with mental illnesses find competitive employment and enable them to move beyond the mental health system of care to become more self-supporting. Kansas should appropriate \$250,000 new funding to support costs not reimbursed by Medicaid in order to increase the number of individuals with serious mental illness who are able to benefit from Evidence-Based Supported Employment.**

Thank you for your consideration.

**For More Information, Contact:**

**Kansas Mental Health Coalition**  
c/o Amy A. Campbell, Lobbyist  
P.O. Box 4103, Topeka, KS 66604  
785-969-1617; [campbell525@sbcglobal.net](mailto:campbell525@sbcglobal.net)