

## **Summary of Findings on Non-Medicaid Funding**

### **The state is budgeted to spend about \$750 million on community mental health services this biennium.**

1. Washington is 3-5% above the national average in mental health spending per state resident. About 35% of the states spent more on community services in 2001, and about 40% spent more on state hospitals.
2. After accounting for inflation and population growth, total funding for community mental health services has grown about 9% over the past decade.
3. Spending on community mental health has grown about half as fast as the total state budget.

### **Medicaid accounts for 89% of the community mental health budget.**

1. Washington has made much more use of Medicaid to finance community mental health services than most states.
  - in 2001, Medicaid comprised more than 80% of total community mental health funding in only 4 other states.
  - the national average and median was 38%.
2. Under federal waivers during 1993 - 2004, Washington was able to use Medicaid managed care savings to pay both for:
  - non-Medicaid clients; and
  - non-Medicaid services to Medicaid clients.

### **Beginning in January, Washington will no longer be able to use Medicaid managed care savings for non-Medicaid people and services.**

1. Loss will be about \$41 million per year:
  - about \$39 million per year, \$78 million per biennium in Mental Health budget.
  - about \$2 million per year, \$4 million per biennium in Medicaid Assistance budget.
2. Some RSNs are already eliminating or reducing services to non-Medicaid clients, in order to:
  - phase-down services in an organized manner;
  - safeguard future Medicaid rate levels.
3. DSHS, RSNs, and providers hope for early action on 2005 supplemental to avoid additional large cut-backs.

**127,000 people received a community mental health service in FY 2003. Of those, one-third – 43,000 people – were not on Medicaid.**

1. about 20% of the 39,000 children served were not on Medicaid.
2. about 40% of the 87,000 adults served were no on Medicaid.

**Non-Medicaid clients have low incomes, even though that is not specifically required by state law.**

1. 73% of those for whom income data are available have incomes below the poverty level.
2. 22% have incomes between 100-200% of poverty.
3. 17% of those who were "non-Medicaid" at one point in FY 03 were "Medicaid" at some other time the same year.

**The reason the large majority aren't on Medicaid probably isn't because their incomes are significantly too high, but rather because the:**

1. are disabled, but not severely or long enough to meet social security standards.
2. meet federal disability standards, but receive more social security income than the \$565 per month allowed for Medicaid.
3. are elderly, but receive more than \$565 per month in social security, and don't need COPES or nursing home care.
4. are non-elderly adults who don't have children.
5. have not re-established Medicaid eligibility after time in jail, or failing to follow through on certification paperwork.
6. don't meet U.S. residence requirements.

**Non-Medicaid clients are more likely to be in crisis when they are served.**

1. 55% of all ITA evaluations involve a non-Medicaid client, even though non-Medicaid clients comprise only one-third of the total community mental health caseload.
2. Non-Medicaid clients are more than twice as likely to be classified as acutely mentally ill. this may be because:
  - their illness is just beginning to manifest itself, so they have not yet established Medicaid eligibility.
  - their illness interferes with establishing or maintain Medicaid eligibility.
  - Medicaid clients receive more ongoing treatment, and so are less likely to have a crisis.

**The "average" non-Medicaid client is not as severely impaired as the average**

**Medicaid client – though, on an individual basis, many are just as impaired.**

1. 62% of non-Medicaid adults have a GAF score of 60 or less, or are classified as acutely mentally ill, compared to 86% of Medicaid adults.
2. One-quarter of non-Medicaid children are classified as "severely emotionally disturbed," compared to 36% of Medicaid children.
3. 17% of non-Medicaid adults did not meet one of the state priority categories, compared to 6% of Medicaid adults.

**Last year, the RSNs and DSHS Medical Assistance spent an estimated \$130 million that will no longer be eligible for Medicaid funding beginning in January.**

Pie Chart insert - Estimated FY 03 Spending on Community Mental Health (in millions)

**Of the \$130 million, half was for direct services to non-Medicaid clients; one-third was for "non-Medicaid" services to Medicaid clients; and 17% was for RSN and provider administration.**

Pie Chart insert - Estimated FY 03 "Non-Medicaid Spending (in millions)

**Due to the new rules, Washington will lose \$41 million per year of federal funding that was previously used for non-Medicaid people and services.**

Pie Chart insert - Total FY 03 Expenditures (in millions)

**Replacing the \$41 million per year of lost federal Medicaid funding would require a 20% increase in the current level of state funding for community mental health services.**

Insert - State General Funds (in millions)

**Crisis and Acute Care Services accounted for about 45% of the \$130 million**

**of non-Medicaid spending in FY 03.**

**Crisis & Commitment Services**

Estimated Number Served:	2,900	Non-Medicaid Children
	18,400	Non-Medicaid Adults
	<u>5,000</u>	Medicaid clients under ITA
	26,300	
Estimated Expenditures:	\$28.8	Million

**Jail Services**

Estimated Number Served:	not available
Estimated Expenditures:	\$2.0 Million

**Community Inpatient Care & Associated Outpatient Treatment**

Estimated Number Served:	70	Non-Medicaid Children
	1,850	Non-Medicaid Adults
	<u>1,000</u>	Medicaid adults in "IMD's"
	2,900	
Estimated Expenditures:	\$26.8	Million

**Residential Treatment accounted for 25% of FY 03 non-Medicaid spending.**

**Intensive Residential Care & Associated Outpatient Treatment**

Estimated Number Served:	13	Medicaid Children
	845	Medicaid Adults
	<u>54</u>	Non-Medicaid Adults
	910	
Estimated Expenditures:	\$22.1	Million

**Less Intensive Residential Care & Associated Outpatient Treatment**

Estimated Number Served:	680	Medicaid Adults
	<u>53</u>	Non-Medicaid Adults
	733	

Estimated Expenditures: \$7.0 Million

**Housing Support Services accounted for about 10% of FY 03 non-Medicaid spending.**

**Medicaid Personal Care**

Estimated Number Served: 250 Medicaid Adults

Estimated Expenditures: \$1.5 Million

**Direct Client Financial Assistance**

Estimated Number Served: statewide data not available

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Estimated Expenditures: \$6.5 Million

**Housing Outreach and Construction Projects**

Estimated Number Served: statewide data not available

Estimated Expenditures: \$7.7 Million

**Outpatient Treatment Services For non-Medicaid Clients Not Also Receiving Inpatient or Residential Care cost about \$28 million last year.**

**Children Classified as Acutely Ill or Severely Emotionally Disturbed**

Estimated Number Served: 2,500 Non-Medicaid Children

Estimated Expenditures: \$3.2 Million

**Adults Classified as Acutely or Chronically Ill or GAF <51**

Estimated Number Served: 12,000 Non-Medicaid Adults

Estimated Expenditures: \$16.5 Million

**Children Classified as Seriously Disturbed or CGAS <61**

Estimated Number Served: 1,050 Non-Medicaid Children

Estimated Expenditures: \$0.8 Million

\*See Tab 5©) for state Priority Population classifications. See Tab 5 (e) for GAF and CGAS scales.

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**Outpatient Treatment Services For non-Medicaid Clients Not Also Receiving Inpatient or Residential Care cost about \$28 million last year.**

**Adults Classified as Seriously Ill or GAF of 51 - 60**

Estimated Number Served: 4,400 Non-Medicaid Adults

Estimated Expenditures: \$3.2 Million

**Children Not in Any Priority Category and CGAS >60**

Estimated Number Served: 1,700 Non-Medicaid Children

Estimated Expenditures: \$1.1 Million

**Adults Not in any Priority Category and GAF >60**

Estimated Number Served: 5,400 Non-Medicaid Adults

Estimated Expenditures: \$3.0 Million

\*See Tab 5 ©) for state Priority Population classifications. See Tab 5(e) for GAF and CGAS scales.

