

DISCUSSIONS REGARDING POTENTIAL MERGERS OF COORDINATING AGENCIES WITH PIHPs

(FY2013 Appropriation Bill - Public Act 200 of 2012)

April 1, 2013

Section 407: (1) The amount appropriated in part 1 for substance abuse prevention, education, and treatment grants shall be expended for contracting with coordinating agencies. Coordinating agencies shall work with CMHSPs or PIHPs to coordinate care and services provided to individuals with severe and persistent mental illness and substance abuse diagnoses. (2) The department shall approve coordinating agency fee schedules for providing substance abuse services and charge participants in accordance with their ability to pay. (3) It is the intent of the legislature that the coordinating agencies continue current efforts to collaborate on the delivery of services to those clients with mental illness and substance abuse diagnoses. (4) Coordinating agencies that are located completely within the boundary of a PIHP shall conduct a study of the administrative costs and efficiencies associated with consolidation with that PIHP. If that coordinating agency realizes an administrative cost savings of 5% or greater of their current costs, then that coordinating agency shall initiate discussions regarding a potential merger in accordance with section 6226 of the public health code, 1978 PA 368, MCL 333.6226. The department shall report to the legislature by April 1 of the current fiscal year on any such discussions.

*Michigan Department
of Community Health*



**Rick Snyder, Governor
James K. Haveman, Director**

BUREAU OF SUBSTANCE ABUSE AND ADDICTION SERVICES

APPROPRIATION ACT SECTION 407(4) REPORT

FISCAL YEAR 2012 ACTIVITIES

Since the enactment of Public Acts 500 and 501 in December 2012, all substance abuse coordinating agencies (CAs) are required to merge into a “department designated CMH entity”, (also known as a prepaid inpatient health plan (PIHP) by October 1, 2014. This merger process involves not just the four CAs listed that are relevant to this boilerplate report, but all sixteen CAs. Therefore, by October 1, 2013 all 16 CAs are required by law to have completed plans for mergers and to have begun the process of merging. DCH Behavioral Health and Developmental Disabilities Administration (BHDDA) BHDDA is working with all 16 CAs and 18 PIHPs to ensure plans are completed, with appropriate assurances required for smooth transition to ten new regions where CA and PIHP requirements are performed by the same entity.

Given that background, the below information was provided by the four CAs that are located completely within the boundary of a PIHP in order to meet requirements of this boilerplate section as it is written.

Detroit Department of Health and Wellness Promotion (DHWP)

The CA reported that contact has been made with the Wayne County PIHP and meetings continue to take place between the various partners necessary for the transition. The most recent meeting took place on February 28, 2013, with the DHWP and the Institute for Population Health to discuss the steps that need to be taken to transition the Detroit CA into the Wayne County PIHP by October 1, 2013.

Oakland County Health Division, Office of Substance Abuse Services (OSAS)

To date, BHDDA has not received a plan for merger from the Oakland CMH authority (OCCMHA), nor the Coordinating Agency (Oakland Public Health Department). However, OCCMHA is required to declare a lead person for transition of SUD administrative functions by April 1, 2013 as part of the “Application For Participation” (AFP) required for the next round of Medicaid Managed Care Specialty Services and Supports (mental health, substance abuse and developmental disabilities). BHDDA expects OCCMHA will meet this requirement and that a plan will be developed timely as required by law.

Saginaw County Department of Public Health, Substance Abuse Treatment and Prevention Services (TAPS)

The Saginaw CA and the PIHP will develop an integration resolution that they will present to the Human Services Board of Saginaw County in early spring of 2013. It is important to understand that the new PIHP region including Saginaw (Region 5) will be broader than a solely Saginaw county as a PIHP all by itself as it is today. The full integration for the new PIHP Region 5 involves 20 counties in addition to Saginaw, therefore the resolution will be an important first step but the full integration and preparation for

compliance with PA 500 and 501 will be much more complex than simply integrating a single county CA (Saginaw) into a single county PIHP (Saginaw). A lead for the CA/PIHP merger for the 21 county PIHP Region 5 is also required to be named by April 1, 2013 as part of the AFP.

Western Upper Peninsula Substance Abuse Services (WUPSAS)

Discussions have been initiated between the administrative staff of the CA and the PIHP to determine the impact and consequences of the proposed merger of substance abuse and mental health services. Again, it should be noted that a lead responsible person is required to be declared by April 1, 2013 as part of the AFP.