

Changes in Funding Allocations for Prepaid Inpatient Health Plan (PIHP) and Community Mental Health Services Programs (CMHSPs)

(FY2018 Appropriation Act - Public Act 107 of 2017)

September 30, 2018

Sec. 1004. The department shall provide the senate and house appropriations subcommittee on the department budget, the senate and house fiscal agencies, and the state budget office any rebased formula changes to either Medicaid behavioral health services or non-Medicaid mental health services 90 days before implementation. The notification shall include a table showing the changes in funding allocation by PIHP for Medicaid behavioral health services or by CMHSP for non-Medicaid mental health services.



The Department of Health and Human Services (DHHS) is required to report any funding changes to Medicaid and Non-Medicaid 90 days prior to implementation that are the results from any rebased formula changes. Medicaid funding has not been revised and did not have a rebasing of the formula for Medicaid.

The distribution of General Fund resources to the Community Mental Health Services Programs (CMHSP) has largely been based on past historical distributions and has not been reflective of the community needs across the State. Legislators, DHHS, and other stakeholders including the Community Mental Health Association of Michigan (CMHAM), agreed that a General Fund distribution methodology should be established to equitably distribute the resources based on the needs of the population the CMHSPs are responsible to serve. A workgroup was created with representation from DHHS, CMHAM, and various CMHSPs to develop the new methodology. Consensus was reached among the workgroup on the variables that would be used to develop the new funding formula.

Beginning October 1, 2018, the DHHS is changing how General Funds are allocated to the CMHSPs. The change to the revised distribution methodology will be phased in over a five-year period. The new allocation method reflects an operating base for all CMHSPs, current demands on General Funds for jail diversion and spend down, and the balance of the allocations based on each CMHSP's non-Medicaid population that is at or below 200 percent of the Federal Poverty Level (FPL).

For Fiscal Year (FY) 2019, the Legislature appropriated an additional \$5.5 million General Fund dollars to offset the first year of phased in reductions that six of the 46 CMHSPs would incur because of the new methodology.

Detailed information on the impact of implementing the new methodology over a five-year period beginning October 1, 2018 is attached. The second attachment identifies the impact of the additional \$5.5 million appropriation for FY 2019.

CMHSP General Fund Distribution
Distribution detail by CMHSP based on workgroup approved methodology
Annual appropriation need: \$0

COMMUNITY MENTAL HEALTH SERVICES PROGRAM (CMHSP)	FY 2018 Non-Medicaid GF Authorization	200% FPL Model less Medicaid & HMP with Base Funding Model	New Model Less FY2018 Allocation	% Change, Current Methodology to New Model	PHASE OUT					
					FY2018 Base Year	YEAR 1 Implementaton	YEAR 2 Implementation	YEAR 3 Implementation	YEAR 4 Implementation	YEAR 5 Implementation
COPPER COUNTRY	667,477	1,248,471	580,994	87%	667,477	783,676	899,875	1,016,074	1,132,273	1,248,472
GOGEBIC	138,655	443,336	304,681	220%	138,655	199,591	260,527	321,463	382,399	443,335
HIAWATHA	687,587	1,214,836	527,249	77%	687,587	793,037	898,487	1,003,937	1,109,387	1,214,837
NORTHPOINTE	766,218	1,205,657	439,439	57%	766,218	854,106	941,994	1,029,882	1,117,770	1,205,658
PATHWAYS	1,153,679	1,936,236	782,557	68%	1,153,679	1,310,190	1,466,701	1,623,212	1,779,723	1,936,234
Region 1 Total:	3,413,616	6,048,536	2,634,920		3,413,616	3,940,600	4,467,584	4,994,568	5,521,552	6,048,536
AU SABLE	784,523	1,036,773	252,250	32%	784,523	834,973	885,423	935,873	986,323	1,036,773
MANISTEE/BENZIE	417,771	762,852	345,081	83%	417,771	486,787	555,803	624,819	693,835	762,851
NORTH COUNTRY	1,930,401	2,189,804	259,403	13%	1,930,401	1,982,282	2,034,163	2,086,044	2,137,925	2,189,806
NORTHEAST	699,887	1,202,789	502,902	72%	699,887	800,467	901,047	1,001,627	1,102,207	1,202,787
NORTHERN LAKES	2,021,632	2,905,486	883,854	44%	2,021,632	2,198,403	2,375,174	2,551,945	2,728,716	2,905,487
Region 2 Total:	5,854,214	8,097,703	2,243,489		5,854,214	6,302,912	6,751,610	7,200,308	7,649,006	8,097,704
ALLEGAN	715,792	1,707,737	991,945	139%	715,792	914,181	1,112,570	1,310,959	1,509,348	1,707,737
MUSKEGON	1,981,122	2,066,288	85,166	4%	1,981,122	1,998,155	2,015,188	2,032,221	2,049,254	2,066,287
NETWORK 180/KENT	5,178,652	7,642,378	2,463,726	48%	5,178,652	5,671,397	6,164,142	6,656,887	7,149,632	7,642,377
OTTAWA	1,320,244	3,874,164	2,553,920	193%	1,320,244	1,831,028	2,341,812	2,852,596	3,363,380	3,874,164
WEST MICHIGAN	1,063,644	1,266,847	203,203	19%	1,063,644	1,104,285	1,144,926	1,185,567	1,226,208	1,266,849
Region 3 Total:	10,259,454	16,557,415	6,297,961		10,259,454	11,519,046	12,778,638	14,038,230	15,297,822	16,557,414
BARRY	580,142	935,326	355,184	61%	580,142	651,179	722,216	793,253	864,290	935,327
BERRIEN	1,735,626	2,208,384	472,758	27%	1,735,626	1,830,178	1,924,730	2,019,282	2,113,834	2,208,386
KALAMAZOO	3,530,692	3,900,519	369,827	10%	3,530,692	3,604,657	3,678,622	3,752,587	3,826,552	3,900,517
PINES	557,932	880,616	322,684	58%	557,932	622,469	687,006	751,543	816,080	880,617
ST. JOSEPH	295,916	1,042,559	746,643	252%	295,916	445,245	594,574	743,903	893,232	1,042,561
SUMMIT POINTE	2,079,572	1,804,480	(275,092)	-13%	2,079,572	2,024,554	1,969,536	1,914,518	1,859,500	1,804,482
VAN BUREN	769,818	1,197,361	427,543	56%	769,818	855,327	940,836	1,026,345	1,111,854	1,197,363
WOODLANDS	569,037	867,093	298,056	52%	569,037	628,648	688,259	747,870	807,481	867,092
Region 4 Total:	10,118,735	12,836,338	2,717,603		10,118,735	10,662,257	11,205,779	11,749,301	12,292,823	12,836,345
BAY/ARENAC	1,325,949	1,626,052	300,103	23%	1,325,949	1,385,970	1,445,991	1,506,012	1,566,033	1,626,054
CENTRAL MICHIGAN	2,741,639	5,292,328	2,550,689	93%	2,741,639	3,251,777	3,761,915	4,272,053	4,782,191	5,292,329
CLINTON EATON INGHAM	4,436,165	6,559,232	2,123,067	48%	4,436,165	4,860,778	5,285,391	5,710,004	6,134,617	6,559,230
GRATIOT	365,251	656,730	291,479	80%	365,251	423,547	481,843	540,139	598,435	656,731
HURON	361,951	689,391	327,440	90%	361,951	427,439	492,927	558,415	623,903	689,391
IONIA	580,742	1,117,326	536,584	92%	580,742	688,059	795,376	902,693	1,010,010	1,117,327
LIFEWAYS	1,990,727	2,714,960	724,233	36%	1,990,727	2,135,574	2,280,421	2,425,268	2,570,115	2,714,962
MONTCALM	493,102	1,123,031	629,929	128%	493,102	619,088	745,074	871,060	997,046	1,123,032
NEWAYGO	424,071	888,175	464,104	109%	424,071	516,892	609,713	702,534	795,355	888,176
SAGINAW	2,665,724	2,272,863	(392,861)	-15%	2,665,724	2,587,152	2,508,580	2,430,008	2,351,436	2,272,864
SHIAWASSEE	634,762	1,043,911	409,149	64%	634,762	716,592	798,422	880,252	962,082	1,043,912
TUSCOLA	548,927	852,533	303,606	55%	548,927	609,648	670,369	731,090	791,811	852,532
Region 5 Total:	16,569,010	24,836,532	8,267,522		16,569,010	18,222,516	19,876,022	21,529,528	23,183,034	24,836,540

CMHSP General Fund Distribution
Distribution detail by CMHSP based on workgroup approved methodology
Annual appropriation need: \$0

COMMUNITY MENTAL HEALTH SERVICES PROGRAM (CMHSP)	FY 2018 Non-Medicaid GF Authorization	200% FPL Model less Medicaid & HMP with Base Funding Model	New Model Less FY2018 Allocation	% Change, Current Methodology to New Model	FY2018 Base Year	YEAR 1 Implementaton	YEAR 2 Implementation	YEAR 3 Implementation	YEAR 4 Implementation	YEAR 5 Implementation
LENAWEE	348,736	1,397,325	1,048,589	301%	348,736	558,454	768,172	977,890	1,187,608	1,397,326
LIVINGSTON	1,483,525	1,494,710	11,185	1%	1,483,525	1,485,762	1,487,999	1,490,236	1,492,473	1,494,710
MONROE	1,458,910	1,729,984	271,074	19%	1,458,910	1,513,125	1,567,340	1,621,555	1,675,770	1,729,985
WASHTENAW	2,784,574	4,597,669	1,813,095	65%	2,784,574	3,147,193	3,509,812	3,872,431	4,235,050	4,597,669
Region 6 Total:	6,075,745	9,219,687	3,143,942		6,075,745	6,704,534	7,333,323	7,962,112	8,590,901	9,219,690
DETROIT/WAYNE	39,437,641	16,966,739	(22,470,902)	-57%	39,437,641	34,943,457	30,449,273	25,955,089	21,460,905	16,966,721
Region 7 Total:	39,437,641	16,966,739	(22,470,902)		39,437,641	34,943,457	30,449,273	25,955,089	21,460,905	16,966,721
OAKLAND	12,755,683	10,322,559	(2,433,124)	-19%	12,755,683	12,269,058	11,782,433	11,295,808	10,809,183	10,322,558
Region 8 Total:	12,755,683	10,322,559	(2,433,124)		12,755,683	12,269,058	11,782,433	11,295,808	10,809,183	10,322,558
MACOMB	8,131,602	7,242,866	(888,736)	-11%	8,131,602	7,953,855	7,776,108	7,598,361	7,420,614	7,242,867
Region 9 Total:	8,131,602	7,242,866	(888,736)		8,131,602	7,953,855	7,776,108	7,598,361	7,420,614	7,242,867
GENESEE	5,145,362	3,967,407	(1,177,955)	-23%	5,145,362	4,909,771	4,674,180	4,438,589	4,202,998	3,967,407
LAPEER	659,672	1,084,787	425,115	64%	659,672	744,695	829,718	914,741	999,764	1,084,787
SANILAC	533,922	921,299	387,377	73%	533,922	611,397	688,872	766,347	843,822	921,297
ST. CLAIR	1,095,744	1,948,532	852,788	78%	1,095,744	1,266,302	1,436,860	1,607,418	1,777,976	1,948,534
Region 10 Total:	7,434,700	7,922,025	487,325		7,434,700	7,532,165	7,629,630	7,727,095	7,824,560	7,922,025
Grand Total:	120,050,400	120,050,400	0		\$120,050,400	\$120,050,400	\$120,050,400	\$120,050,400	\$120,050,400	\$120,050,400

CMHSP General Fund Distribution

Includes \$27 million GF spread out across 5 years for the 6 CMHSPs that had a net decrease under workgroup approved methodology. It would maintain funding at minimum 2018 level for these 6 CMHSPs.

Annual appropriation need: \$5,527,734

COMMUNITY MENTAL HEALTH SERVICES PROGRAM (CMHSP)	New GF Distribution Methodology, Total Difference After 5 Year Phase In	Current Year	YEAR 1 Implementaton	Difference in Year 1 of New Methodology and Current Methodology	Additional Appropriation Required to Maintain Minimum 2018 Funding Levels	Annual Appropriation Need
ALLEGAN	991,945	715,792	914,181	198,389		
AU SABLE	252,250	784,523	834,973	50,450		
BARRY	355,184	580,142	651,179	71,037		
BAY/ARENAC	300,103	1,325,949	1,385,970	60,021		
BERRIEN	472,758	1,735,626	1,830,178	94,552		
CENTRAL MICHIGAN	2,550,689	2,741,639	3,251,777	510,138		
CLINTON EATON INGHAM	2,123,067	4,436,165	4,860,778	424,613		
COPPER COUNTRY	580,994	667,477	783,676	116,199		
DETROIT/WAYNE	(22,470,902)	39,437,641	34,943,461	(4,494,180)	22,470,902	4,494,180
GENESEE	(1,177,955)	5,145,362	4,909,771	(235,591)	1,177,955	235,591
GOGEBIC	304,681	138,655	199,591	60,936		
GRATIOT	291,479	365,251	423,547	58,296		
HIAWATHA	527,249	687,587	793,037	105,450		
HURON	327,440	361,951	427,439	65,488		
IONIA	536,584	580,742	688,059	107,317		
KALAMAZOO	369,827	3,530,692	3,604,657	73,965		
LAPEER	425,115	659,672	744,695	85,023		
LENAWEE	1,048,589	348,736	558,454	209,718		
LIFEWAYS	724,233	1,990,727	2,135,574	144,847		
LIVINGSTON	11,185	1,483,525	1,485,762	2,237		
MACOMB	(888,736)	8,131,602	7,953,855	(177,747)	888,736	177,747
MANISTEE/BENZIE	345,081	417,771	486,787	69,016		
MONROE	271,074	1,458,910	1,513,125	54,215		
MONTCALM	629,929	493,102	619,088	125,986		
MUSKEGON	85,166	1,981,122	1,998,155	17,033		
NETWORK 180/KENT	2,463,726	5,178,652	5,671,397	492,745		
NEWAYGO	464,104	424,071	516,892	92,821		
NORTH COUNTRY	259,403	1,930,401	1,982,282	51,881		
NORTHEAST	502,902	699,887	800,467	100,580		
NORTHERN LAKES	883,854	2,021,632	2,198,403	176,771		
NORTHPOINTE	439,439	766,218	854,106	87,888		
OAKLAND	(2,433,124)	12,755,683	12,269,058	(486,625)	2,433,124	486,625
OTTAWA	2,553,920	1,320,244	1,831,028	510,784		
PATHWAYS	782,557	1,153,679	1,310,190	156,511		
PINES	322,684	557,932	622,469	64,537		
SAGINAW	(392,861)	2,665,724	2,587,152	(78,572)	392,861	78,572
SANILAC	387,377	533,922	611,397	77,475		
SHIAWASSEE	409,149	634,762	716,592	81,830		
ST. CLAIR	852,788	1,095,744	1,266,302	170,558		
ST. JOSEPH	746,643	295,916	445,241	149,325		
SUMMIT POINTE	(275,092)	2,079,572	2,024,554	(55,018)	275,092	55,018
TUSCOLA	303,606	548,927	609,648	60,721		
VAN BUREN	427,543	769,818	855,327	85,509		
WASHTENAW	1,813,095	2,784,574	3,147,193	362,619		
WEST MICHIGAN	203,203	1,063,644	1,104,285	40,641		
WOODLANDS	298,056	569,037	628,648	59,611		

Grand Total:	0	120,050,400	120,050,400	-	27,638,670	5,527,734
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