

2020

# State of Michigan Financial Map

## FY20 OPIOID FINANCIAL MAP

DEPARTMENT OF HEALTH AND HUMAN SERVICES | Bureau of Community Based Services | Office of Recovery Oriented Systems of Care

## INTRODUCTION

In 2020, 2,738 individuals died from a drug overdose in Michigan. Over 79% of these deaths were opioid related. The opioid epidemic has had a devastating impact on communities on a national and state level and has created an increased need for services that address the harm caused by opioids. Federally funded grants have historically focused solely on a series of prevention, treatment, or recovery initiatives. Beginning with the State Targeted Response to the Opioid Epidemic grant and continuing with the State Opioid Response grants, the states received funds to implement a full continuum of services simultaneously. These grants aim to increase access to Medication-Assisted Treatment (MAT) using the three Food and Drug Administration (FDA) approved medications; reduce unmet treatment needs; and reduce opioid overdose related deaths through the provision of prevention, treatment, and recovery activities for Opioid Use Disorders (OUDs). As effective strategies were developed to implement these initiatives simultaneously, increased access to quality screening, assessment, treatment and recovery services across the state of Michigan was the targeted outcome.

The purpose of this financial map is to identify expenditures and utilization patterns across agencies to address Michigan's opioid crisis. These findings will inform and assist the state of Michigan in developing a comprehensive financial plan that will combine federal and state funds to assure coordinated services and supports efficiently and effectively. To achieve this goal, there is a need for collaboration among State of Michigan departments, Prepaid Inpatient Health Plans (PIHPs), university partners, local health departments and youth serving agencies. This will allow the state to

continue to make the best decisions by improving strategies and mitigating service gaps targeted at combating the opioid crisis.

## METHODOLOGY

The first goal of the financial map is to identify and understand funding sources that support opioid use disorder (OUD) prevention, treatment, and recovery services. For fiscal year (FY) 2020, these funding streams have been identified by stakeholders from the Michigan Department of Health and Human Services (MDHHS), former Office of Recovery Oriented Systems of Care (OROSC), and Prepaid Inpatient Health Plans (PIHPs), as reported on the annual FY20 Legislative Report, and were restricted to opioid related expenditures only. Data was collected from multiple databases and is reflected in the data compiled below.

To further identify spending by federal vs. state funds, it was necessary to identify the percentage of federal and state allocations. Michigan's Community Grant is comprised of federal Substance Abuse Block Grant (75%) and State General Funds (25%) that are blended and dispersed to the PIHPs. Medicaid funding consists of 70.26% federal and 29.74% state funds, and the Medicaid funded Opioid Health Home project and Healthy Michigan (MI) Plan consists of 90% federal and 10% state funds. The Federal Medical Assistance Percentages (FMAP) rate was increased to 70.26% for Medicaid due to the public health emergency declared in January 2020. This rate was used for the entire FY as the emergency rate applied for three quarters of FY20, and the data source does not differentiate the amount of funds expended under the previously approved rate.

## DATA COLLECTION

A major source of data on spending for opioid-related services and supports comes from the annual Legislative Report compiled and completed by the former Behavioral Health & Developmental Disability Administration (BHDDA). Another source of information comes from the Final Financial Reports for the State Opioid Response discretionary grants.

Spending on OUD services was determined based on the total expended amount, and the percentage of federal and state funds was determined using the previously identified FMAP rate. Since the Substance Abuse Block Grant, Medicaid, and Healthy MI Plan expenditures also reported expenditures for individuals with Substance Use Disorders (SUDs), an opioid-involved rate was determined using admissions data from the Treatment Episode Data Set (TEDS) and was also used to differentiate OUD funds from SUD funds.

**Table 1** reflects federal funds expended for all levels of care, and accounts for most of the spending for OUD services in Michigan. Medicaid, Healthy MI Plan, and the Substance Abuse Block Grant flow through regional entities to contracted providers. OROSC managed the Substance Use Block Grant and discretionary grants listed below, and the Behavioral and Physical Health and Aging Services Administration (BPHASA), former Medical Services Administration, manages Medicaid and Healthy MI Plan funding.

Table 1: Federal Funds by Service Type

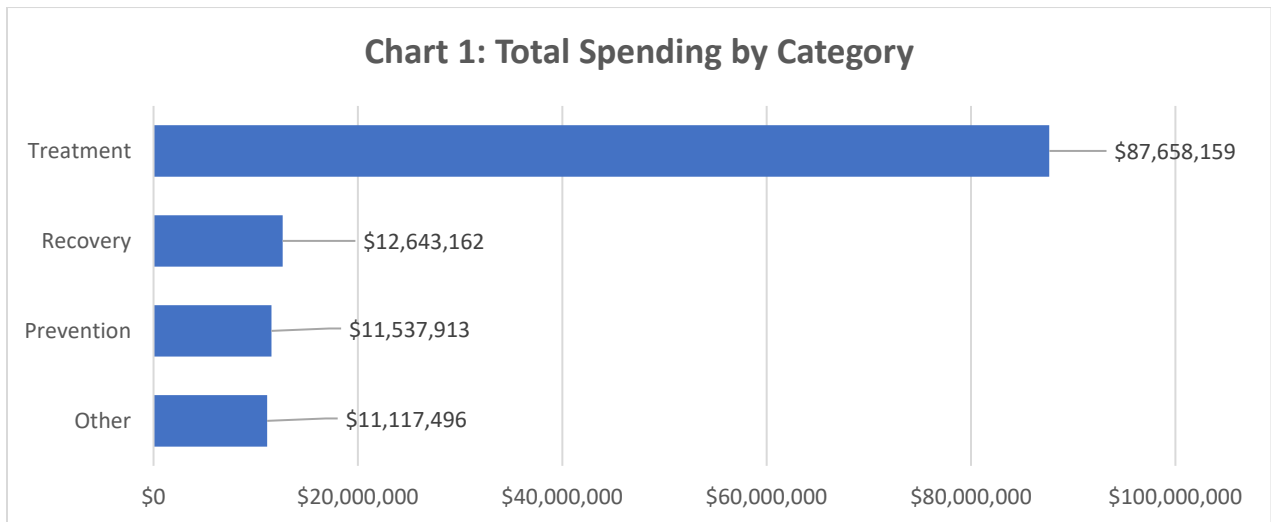
Service Type	Substance Abuse Block Grant	Medicaid	Healthy MI Plan	MI Health Link	Partnership for Success	Michigan Youth Treatment Improvement and Enhancement	State Targeted Response	State Opioid Response	State Opioid Response Supplemental	Local	Michigan Overdose Data to Action
AMS	\$433,224	\$255,434	\$402,551	\$376	-	\$0	\$0	\$0	\$0	\$4	-
Case Management	\$587,682	\$296,176	\$591,887	\$0	-	\$0	\$91,380	\$329,438	\$0	\$1,674	-
Detox	\$937,940	\$1,227,920	\$3,625,756	\$63,362	-	\$0	\$0	\$0	\$0	\$4	-
Early Intervention	\$427,930	\$4,065	\$5,980	\$0	-	\$0	\$263,974	\$486,364	\$73,012	\$4,516	-
General Administration	\$1,437,823	\$977,243	\$1,722,333	\$5,338	\$40,862	\$0	\$138,816	\$553,064	\$36,433	\$152	-
Intensive Outpatient	\$32,887	\$20,220	\$266,584	\$0	-	\$0	\$0	\$0	\$0	\$0	-
Methadone	\$1,439,406	\$4,447,816	\$5,549,387	\$111,266	-	\$0	\$417,357	\$1,425,328	\$15,263	\$368	-
Outpatient	\$3,055,447	\$5,306,350	\$9,443,874	\$178,829	-	\$35,251	\$1,757,088	\$3,916,501	\$855,959	\$12,931	-
Other Services	-	-	-	-	-	-	\$536,717	\$6,969,406	\$1,617,398	\$0	\$1,993,975
Prevention	\$208,065	\$0	\$314	\$0	\$410,439	\$0	\$1,086,866	\$6,772,840	\$584,767	\$31,935	\$2,332,434
Recovery Support	\$2,514,924	\$587,118	\$1,320,776	\$12,921	-	\$0	\$1,272,571	\$4,312,650	\$1,372,427	\$13,091	-
Residential	\$4,052,957	\$4,350,667	\$12,252,100	\$74,247	-	\$5,974	\$9,604	\$159,430	\$32,611	\$981	-
<b>Total</b>	<b>\$15,128,286</b>	<b>\$17,473,009</b>	<b>\$35,181,543</b>	<b>\$446,339</b>	<b>\$451,301</b>	<b>\$41,225</b>	<b>\$5,574,373</b>	<b>\$24,925,022</b>	<b>\$4,587,870</b>	<b>\$65,656</b>	<b>\$4,326,409</b>

**Table 2** below identifies Substance Abuse Block Grant and BPHASA-administered state funds used to support OUD activities. Medicaid and the Healthy MI Plan are designed to work seamlessly for individuals needing health insurance.

Table 2: State Funds by Service Type			
Service Categories	State of Michigan SAPT BG	State of Michigan Medicaid	State of Michigan Healthy MI Plan
AMS	\$144,408	\$109,472	\$44,728
Case Management	\$195,894	\$126,933	\$65,765
Detox	\$312,647	\$526,251	\$402,862
Early Intervention	\$142,643	\$1,742	\$664
General Administration	\$479,274	\$418,818	\$191,370
Intensive Outpatient	\$10,962	\$8,666	\$29,620
Methadone	\$479,802	\$1,906,207	\$616,599
Outpatient	\$1,018,482	\$589,594	\$1,049,319
Other Services	-	-	-
Prevention	\$69,355	\$0	\$35
Recovery Support	\$838,308	\$251,622	\$146,753
Residential	\$1,350,986	\$1,864,572	\$1,361,344
<b>Total</b>	<b>\$5,042,762</b>	<b>\$5,803,877</b>	<b>\$3,909,060</b>

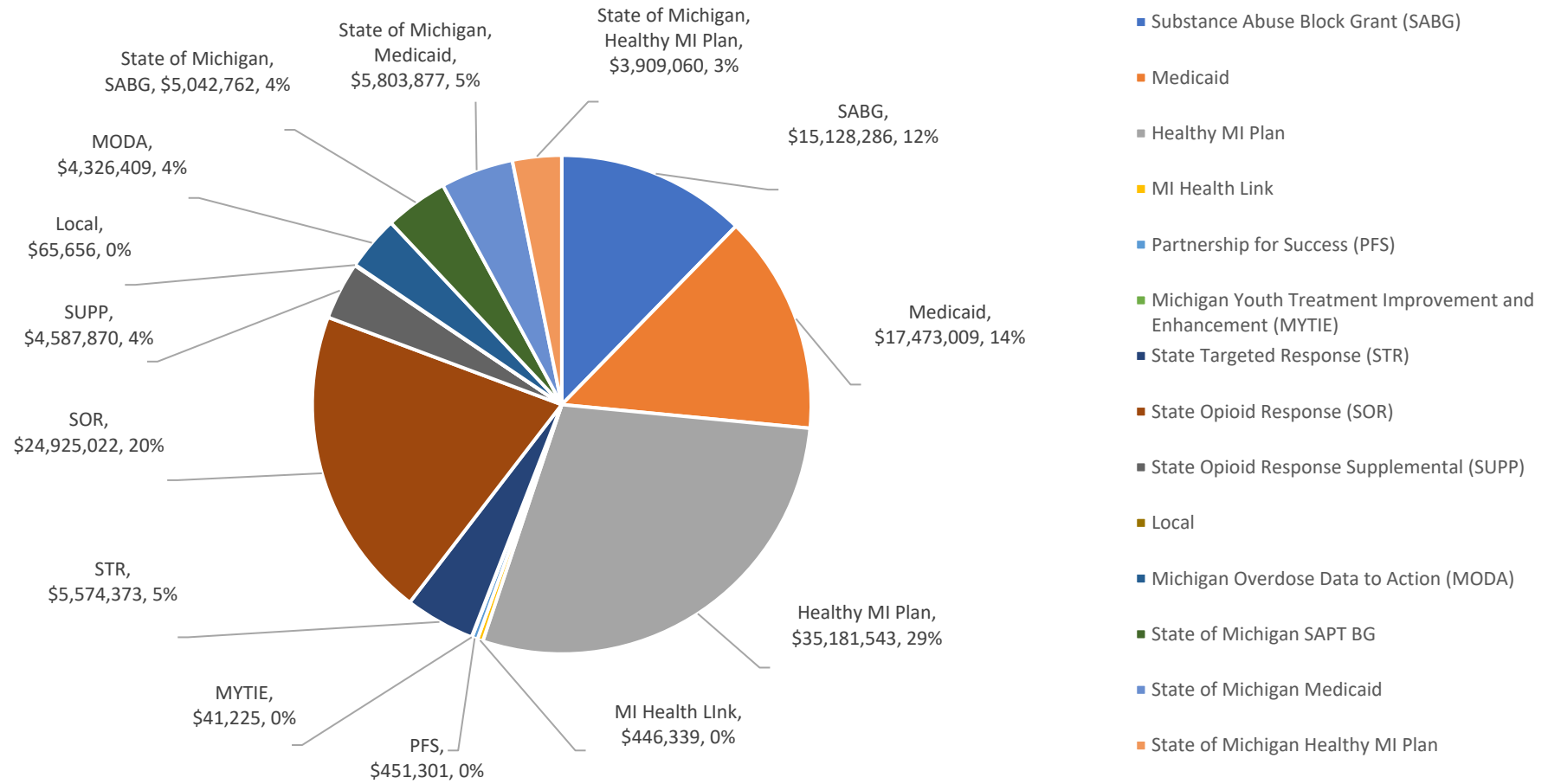
**In Chart 1**, funding is split out by service type: prevention, treatment, recovery and other. “Other” includes costs associated with research, community professional and educational outreach activities through university partners, and administrative activities that do not fit within the service types presented. Over 70% of programming expenditures were used to support treatment services for individuals that are uninsured and underinsured and develop a larger workforce for treatment service delivery.

Historically, there has been an emphasis on increasing treatment services, which provides a smaller operating budget on other category programming activities. Recovery, Prevention, and Other activities, respectively, each make up 10% of the programming expenditures.



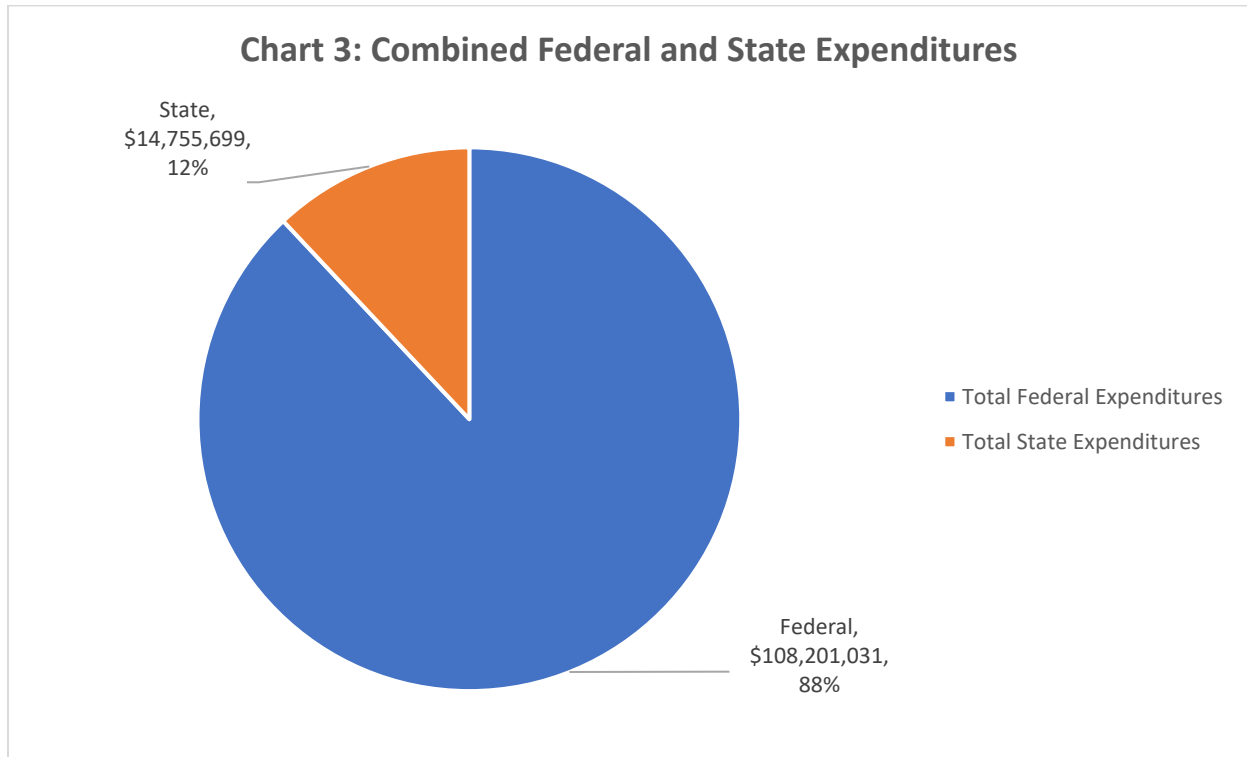
**Chart 2** identifies expenditures by funding source. Federal expenditures from Healthy MI Plan make up 29% of the total expenditures for all OUD activities. The State Opioid Response discretionary grant accounts for 20%, and the federal portion of Medicaid accounts for 14% of the total expenditures. Federal expenditures exceed state expenditures due to the large gap in split rates for Substance Abuse Block Grant and Medicaid. The State Opioid Response grant is 100% federally funded and is focused on programs for persons with an OUD.

### Chart 2: Expenditures by Funding Source





**Chart 3** displays combined federal and state funding for OUD services in Michigan. The total expenditures combined is \$122,956,730. Federal expenditures make up 88% of the total expenditures, and 12% of expenditures are from state funds.



### LIMITATIONS

The financial mapping process highlights Michigan’s data collection deficits. There are several limitations to the collection and analysis of the financial map data. Most of the data was collected from stakeholders and collaborative partners that work directly with MDHHS. The grants management program employed by the state does not provide the level of detail needed to adequately inform the financial map categories. The PIHPs all manage their providers independently, and as a result the continuum of care in each region can vary greatly and lead to disparities. While these are diverse groups, there are other organizations not represented. Limited interactions with local opioid coalitions

and taskforces continue to be a limitation, as those funds may come from other sources outside of government funding. The lack of direct collection inhibits the ability to include local data in the financial map analysis. Including Opioid Settlement funds to local jurisdictions in the financial mapping process will likely lead to the same limitations.

Another limitation is that the classification of expenditures for many of the activities in the State Opioid Response grant did not fit into any of the specific service types presented and, therefore, were classified as Other Services. These grants specifically aim to address the opioid crisis by supplementing and expanding access to treatment and recovery support services. Limiting the presentation of the data does not enable the grants to be highlighted through the data collected. There are projects within MDHHS and partnering universities that also address the opioid crisis that do not fit in the service type categories and were also classified as Other Services. Continuous improvement of the financial mapping process will progressively assist the state with the ability to identify duplication and gaps.

## CONCLUSION

The financial mapping process continues to highlight progress, gaps, barriers and successes in combating the opioid crisis. Workforce turnover continues to be a barrier to the expansion of services. The state remains dedicated to promoting and sustaining the field with infrastructure assistance and staffing support.

Some of the federal funds prescribe the activities that are allowed to be charged to the grants per the terms and conditions. Unallowable activities for funding sources are represented in Table 1 using dashes. Treatment activities continue to utilize large

amounts of funds while prevention and recovery activities equally fall behind. The deficit in these areas highlight the need for increased activities and innovation in prevention and recovery.

The federal government continues to be the largest funding source to combat the state's opioid crisis. Additional needs assessment and research into innovative strategies and interventions related to prevention and recovery services are needed. Continued efforts to reach health disparate and high-risk populations, as well as reducing stigma and increasing awareness of the availability of services as opioid use rises in communities, will continue to be a priority.

The state will continue to analyze the findings of the financial map and enhance data collection so that it can efficiently and effectively assure coordinated services and supports across the state and in all communities.

## CONTACT INFORMATION

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