

Testimony
National Commission on Fiscal Responsibility and Reform
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Presented by:
Lauren Spiro, Director
National Coalition for Mental Health Recovery
1101 15th Street, NW, #1212
Washington, DC 20005
Phone: 703-862-6512
Laurenspiro1@gmail.com

Good morning. On behalf of the 36 organizations and hundreds of thousands of Americans with psychiatric disabilities represented by the National Coalition for Mental Health Recovery, I am grateful for this opportunity to provide some recommendations to advance the health of our community while saving precious taxpayer dollars.

For too long, too many of us who have psychiatric disabilities have lived isolated and idle lives, stuck in avoidable cycles of institutionalization, incarceration and unnecessarily lifelong reliance on public services and entitlements. Many of us live in poverty and, according to the Substance Abuse and Mental Health Services Administration, there is a “90 percent unemployment rate among adults with serious mental illness – the worst level of employment of any group of people with disabilities” despite the fact that many individuals with mental illnesses “want to work and report that they *could* work with modest assistance” <http://mentalhealth.samhsa.gov/publications/allpubs/nmh02-0144/unemployment.asp>. We seek independence, empowerment and the opportunity to contribute. But most service providers believe that we are too sick to get well and that we will never work, marry or have good judgment, and will always need costly custodial care.

Yet the research is clear: we can and do recover with the right services and supports. The seminal research on this topic – the 1995 “Maine and Vermont Three-Decade Studies of Serious Mental Illness” <http://bjp.rcpsych.org/cgi/content/abstract/167/3/331> <http://bjp.rcpsych.org/cgi/content/abstract/167/3/338> – showed that more individuals living on the back wards of a Vermont state hospital were able to return to live and work in their communities compared to a matched control group in Maine. The researchers concluded that what made the difference was that the Vermonters were offered a model program of services and supports.

Unfortunately, after a year of exhaustive study, in 2003 the President’s New Freedom Commission on Mental Health (http://www.mentalhealthcommission.gov/reports/Finalreport/toc_exec.html) concluded that “for too many Americans with mental illnesses ... today’s system simply manages symptoms and accepts long-term disability.” The Commission called for a “fundamental transformation of the Nation’s approach to mental health care ... [that] ensure(s) that mental health services and supports actively facilitate recovery, and build resilience to face life’s challenges” <http://www.mentalhealthcommission.gov/reports/FinalReport/CoverLetter.htm> .

Recovery-centered policies save lives while saving dollars by providing alternatives to costly dead-end cycles of recidivism and dependence. Accordingly, the National Coalition for Mental Health Recovery makes the following recommendations.

1. Promote Self-Directed Services via Medicaid Reforms

Self-directed care expands individuals’ degree of choice and control in selecting services. Funds ordinarily paid to service providers are controlled by service recipients. Participants, who may want to use some of these funds to take a class, join a gym, or engage in some other recovery-oriented activity of their own choosing, are aided

in doing that by life-coach staff along with a fiscal intermediary. Recent studies show that participants in self-directed care use crisis stabilization and support services significantly less than do non-participants, and make more use of less costly routine care and supported employment <http://www.power2u.org/articles/selfhelp/self-direction.htm>.

In a study in the February 2010 Issues in International Health Policy (http://www.commonwealthfund.org/~media/Files/Publications/Issue%20Brief/2010/Feb/1370_Alakeson_intl_devel_selfdirected_care_ib_v2.pdf), Vidhya Alakeson, M.Sc., of the U.S. Department of Health and Human Services concluded that self-directed care has been “widely adopted internationally ... for people with physical and cognitive disabilities and for seniors” and has been “shown to improve satisfaction with services, improve quality of life, and reduce costs compared with services from an agency.” As Alakeson points out, early evidence from mental health programs is promising <http://aspe.hhs.gov/daltcp/reports/2007/MHslfdir.htm>. Recent studies show that participants in self-directed care use crisis stabilization and support significantly less than do non-participants, and make more use of routine care and supported employment <http://www.power2u.org/articles/selfhelp/self-direction.htm>.

In the Deficit Reduction Act of 2005, Congress created a way to bring more flexibility to community services for adults with psychiatric disabilities through developing a 1915.i Medicaid Home and Community-Based Services (HCBS) Option. At long last, the 1915.i HCBS Option brings a waiver-like flexibility to adults with psychiatric disabilities that was denied due to the IMD exclusion. Most recently, the 2010 Patient Protection and Affordable Care Act contains several fixes to this initiative to make it much more attractive to states.

The National Coalition for Mental Health Recovery strongly urges federal and state governments to make aggressive use of this powerful new mechanism to bring self-directed care to Americans with psychiatric disabilities.

2. Promote the Medicaid Buy-In Program

“Medicaid Buy-In ... allows adults with disabilities to earn more than would otherwise be possible and still keep their Medicaid coverage. In return, they ‘buy into’ Medicaid, typically by paying premiums based on income. Without the program, many would have limited health insurance options, despite the fact that they need coverage to enter or remain in the work force. As of December 2006, 33 states had Buy-In programs with total nationwide enrollment of 80,871” <http://www.mathematica-mpr.com/newsroom/releases/2007/buy-inbrief5.asp>.

3. Dramatically Reduce Costly, Avoidable Long-Term Use of Local Hospital and Emergency Care Through the Use of Innovative Peer Wellness Coaches and Crisis Respite and Diversion Services

National health care reform’s emphasis on prevention, wellness and person-centered care provides an ideal environment for the expansion of peer-to-peer services: services provided by individuals who themselves are in recovery from mental health conditions. These services include crisis respite – non-medical, effective and cost-efficient alternatives to hospitalization – and life coaching, where individuals in recovery help their peers with problem solving and goal setting.

These approaches can generate huge savings for federal, state and local health care systems since they demonstrate great success in helping to improve health care outcomes and decrease acute care utilization by our nation’s most costly group: people with psychiatric, substance abuse and major medical conditions.

To illustrate, the New York State Department of Health found in 2008 that “a small portion of Medicaid beneficiaries (20%) account for a significant amount (75%) of the program’s expenditures; these beneficiaries have multiple co-morbidities, are medically complicated and require services across multiple provider agencies. Due to their multiple and intensive needs, their care can often be fragmented, uncoordinated and at times duplicative. Included in these special populations are recipients with chronic conditions, mental illness,

chemical dependency...” The New York State Department of Health also found that the state spent over \$800 million in avoidable hospital readmissions for this same group.

Member organizations of the National Coalition for Mental Health Recovery have years of experience in pioneering innovative peer-run service models that are uniquely successful in engaging this group of individuals, who are all too often considered “hard to serve” by traditional services.

Peer wellness coaching and crisis respite services succeed because they are more flexible, mobile and person-centered: they start where the person is and go where the person lives. They engage individuals in common-sense plans to take hold of their lives and care, and to change years of hopelessness and chronic relapse to lives of recovery and connection.

In Queens, New York, the Peer Wellness Coaches of the New York Association of Psychiatric Rehabilitation Services have helped find, engage and support almost half of a group of “high needs” individuals identified by the Health Department, in partnership with OptumHealth (a managed behavioral health care organization) and area medical home partners. These individuals are being helped to recover from mental health and substance dependence conditions and to manage previously unaddressed medical conditions, including COPD, diabetes and heart disease.

Similarly, in rural Orange County, New York, PEOPLE Inc.’s Rose House has provided hundreds of individuals in crisis with supportive, effective and hugely cost-effective alternatives to emergency room and hospital care.

And similar services can be found in other states across the country.

The National Coalition for Mental Health Recovery strongly urges federal and state governments and managed care organizations to invest in these tremendously effective and cost-effective peer-run alternatives. We urge you to:

- **Increase access to affordable housing and Housing First**
<http://www.huduser.org/portal/publications/homeless/hsgfirst.html> approaches that provide permanent alternatives to supervised housing or long-term hospital or nursing home care.
- **Expand access to employment and a variety of other approaches to promoting asset development, financial literacy and independence that will decrease reliance on SSA and Medicaid entitlement programs.**
- **Dramatically expand prison diversion and re-entry programs, especially programs that specialize in dual mental health and substance abuse recovery.**
- **Expand culturally competent outreach, engagement and support services, especially to communities of color.**
- **Expand the engagement of peers in evaluation, training, and policy formation that will lead to more effective, recovery oriented services which in turn facilitates people returning to work.**

Thank you for the opportunity to submit this testimony.