

**Medicaid Match Funds for LMHA's (Local Mental Health Authorities)**  
**\$6,400,000 Budget Adjustment One-time**

Medicaid Match Funds for LMHA's	
Distributed to LMHA's according to established formula	\$6,400,000

Governor's Budget Request: \$6,400,000 one-time General Fund appropriated for FY2015 be extended one-time beginning in FY2016 to fund the shortfall in Outpatient Medicaid Match for the local Mental Health and Substance Abuse Authorities.

For the past 25 years the public mental health system has been operating under a capitated Medicaid funding model in which the State and Counties contribute funds to draw down Federal funds that provide the majority of the mental health services for individuals on Medicaid in Utah. Growth in Medicaid enrollment has outpaced funding for Medicaid match. Specifically related to the recent recession, the mental health system experienced reduction in funding with simultaneous increases in individuals on the roles of Medicaid. Over the past 20 years as Medicaid eligibles have increased there has been no established funding mechanism in place for the State to keep pace with the increased need for funding with regard to Medicaid behavioral health services. Medicaid Match need has increased at a faster rate than allocated State (and the required 20% County match) dollars. LMHAs have had to shift funds they previously used for Safety Net Services for the uninsured or underinsured to pay Medicaid Match. Most local mental health authorities reacted to this disparity by working to find efficiencies and reallocating funds from profits and other County funds to pay for Medicaid match to be able to continue serving the growing need of Medicaid recipients. This has created a significant gap in services for those most in need in our community as outlined in more detail in this proposal.

In an effort to address this problem the legislature allocated one time funds to help cover the Medicaid Match Gap. This allowed counties to better meet the growing need in each of their respective areas this past year, allowing for critically needed evidence based mental health services across the state as described in this proposal. If these funds are discontinued there is a serious risk of counties being unable to meet their Medicaid match, which would either necessitate the state covering the entire match and taking on the full risk for those services or the county making less match and forfeiting significant federal match dollars resulting in dramatic decreases in mental health services in the State of Utah.

In August 2014 DSAMH submitted the "Local Mental Health Authority Medicaid Match Social Services Appropriations Sub-Committee Report" to the Social Services Appropriations Sub-Committee. The chart on Pg. 6 of this report, and included in this brief details the impact of Medicaid growth reported as Medicaid Member Months for the local authorities since 2009. Since 2009, the local authorities have experienced a 37% (2,234,647 FY09 to 3,055,228 FY13) increase from 2009-2013 for the State. The chart on Pg. 5 of this same report and included in this brief details that during this same period of time, General State Fund amounts passed on through DSAMH to Local Authorities decreased 17% during 2009-2011 before rising again, increasing only 3% from 2009 to 2013.

From FY 2009 to FY2011, DSAMH State General Fund going to the Counties was cut by \$4,529,737 a 17% decrease while at the same time Medicaid member months rose 572,834. On the physical health

side, State General Fund allocated to Medicaid match increased by 17.55% during the same time period. This inequity was not addressed until last session when \$6.4 million was allocated one time to DSAMH for Medicaid Match to be passed through to the Local Mental Health Authorities. Since 80% of the funding for Medicaid Match should come from the State, through DSAMH to the local authorities, cuts in the Division's budget have significant ramifications on the provision of Medicaid services and the ability to preserve Utah's Prepaid Mental Health Plan.

Over past years DSAMH has develop a robust data, planning and monitoring process that is lauded within state and federal agencies. The procedures, data elements, reports and plans can all be easily accessed by the public through the DSAMH Website. Direct links to Areas Plans, Score Cards and Monitoring reports are here provided:

<http://dsamh.utah.gov/data/annual-reports/>

<http://dsamh.utah.gov/data/outcome-reports/>

<http://dsamh.utah.gov/data/consumer-satisfaction-scorecards/>

<http://dsamh.utah.gov/data/local-authoritycounty-area-plans/>

<http://dsamh.utah.gov/data/local-authoritycounty-monitoring-reports/>

<http://dsamh.utah.gov/data/sharp-survey-reports/>