



HEALTH CARE
for
the **HOMELESS** INC

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STATEMENT ON THE FY 2013 BUDGET DHMH – ALCOHOL AND DRUG ABUSE ADMINISTRATION

*House Appropriations Committee,
Subcommittee on Health and Human Resources
Wednesday, February 8, 2012*

*Senate Budget and Taxation Committee,
Subcommittee on Health and Human Services
Thursday, February 9, 2012*

HCH strongly supports the work of the Department of Health and Mental Hygiene's Alcohol and Drug Abuse Administration (ADAA) and the Department's commitment to provide access to a quality and effective substance abuse prevention, intervention, and treatment service system for the residents of Maryland.

Addiction treatment services are cost-effective because they avert the need for more costly intervention elsewhere in the health care system and among the law enforcement, criminal justice, and social service systems. Unfortunately, appropriate treatment services often are not available "upon demand or request" – which has been shown to be the most effective time to reach those in need of treatment. HCH opposes reductions to ADAA programs – especially to the community grant funds that help us serve the majority of our clients who lack comprehensive health insurance.

Expanding public health insurance coverage to include addiction treatment is a positive step forward but not a panacea. The expansion of the Primary Adult Care (PAC) Program to include community-based outpatient addiction treatment expanded the range of services offered by the program and leveraged additional federal dollars. Because PAC already covered outpatient mental health services, the expansion of the program to include addiction treatment also helped facilitate integrated services for people who are "dually diagnosed" with addiction and mental illness (a vulnerable population comprising 25% of HCH clients). While a positive step forward, this decision transferred funds from flexible community grants to a more structured fee-for-service framework. Additional budget reductions have also removed resources from the public addictions treatment system. As one example, Baltimore Substance Abuse Systems experienced three rounds of state cuts in 2009 totaling more than \$4 million; this has resulted in a net loss of almost 200 block grant-funded slots for people without insurance. Further reductions have followed.

Grant funds and Medicaid reimbursement work in partnership. During these difficult economic times, more people turn to the public health system – many for the first time. For example, HCH saw an 18% increase in the number of new clients between 2009 and 2010. It is therefore important that all available funding sources continue to support necessary services. Given that many individuals experiencing homelessness are uninsured when they first enter the system (even though many eventually qualify for Medicaid or PAC), grant funding must remain steady in order to promote immediate access to the services that help maintain health and prevent more serious illness.

HCH urges the legislature not to cut FY2013 allocation for ADAA. At a time when more Marylanders turn to publicly-funded addiction treatment programs, it is critically important to keep these programs strong. Any additional reductions to the program further jeopardize the ability of community providers to serve individuals already living on the economic edge and shift costs to other areas of the community.

Health Care for the Homeless (HCH) provides comprehensive adult and pediatric medical care, social work and case management, mental health services, state-certified addiction treatment, dental care, outreach, and access to housing and employment for approximately 10,000 Marylanders annually at clinic sites in Baltimore City, Frederick, and Montgomery, Harford, and Baltimore Counties.