



HEALTH CARE
for the **HOMELESS** INC.

HEALTH CARE FOR THE HOMELESS
STATEMENT ON THE FISCAL 2013 BUDGET
DHMH – MENTAL HYGIENE ADMINISTRATION

Senate Budget and Taxation Committee
Subcommittee on Health and Human Services
Friday, February 10, 2012

House Appropriations Committee
Subcommittee on Health and Human Resources
Monday, February 13, 2012

Health Care for the Homeless strongly supports the Mental Hygiene Administration (MHA). In light of the growing need for community mental health services and the critical role of such services in stabilizing vulnerable individuals and families, we caution against reductions to MHA's budget. By supporting outreach, engagement into therapeutic relationships, coordination of care with other health care providers, and placement in housing, the resources overseen by MHA help us get people off the streets and back into the mainstream.

Maryland's public mental health system is a national model: MHA is the principal funder of Maryland's public mental health system, which serves 140,000 children and adults. Outpatient mental health services are funded by MHA without regard to insurance status; this is especially important for vulnerable people experiencing homelessness, a third of whom are diagnosed with a significant chronic mental illness. Our ability to bill for services through the public mental health system helps us more immediately stabilize our clients while reducing the long-term social costs associated with mental illness and homelessness.

Demand for services is increasing: Demand for services continues to rise while community providers struggle to keep up. As Marylanders lose jobs and related employment-based health insurance coverage, many turn for the first time to the public safety net. Simultaneously, businesses – facing rising costs – reduce health care coverage; this drives an increasing number of people to the public mental health system. Maryland's public mental health system projects a 6.3% increase in enrollment for the coming year – roughly 9,000 new Marylanders desperate for services – at a time when community mental health funding is flat. For many individuals and providers, the situation is very concerning.

Mental health services are cost-effective – when sufficiently available: Timely access to mental health services averts the need for more costly intervention in the health care, correctional, and social service systems. Nonetheless, waiting lists for services are a problem in several jurisdictions. In Baltimore City, for example, patients wait an average of seven months for community-based residential services primarily because provider reimbursement rates remain well below the market rate, a reality that hinders the ability of community mental health providers to attract and retain staff. Without providers to see them, people in need of services remain at serious risk of hospitalization, arrest, and homelessness. Currently, patients who are homeless and are receiving inpatient treatment in the Public Mental Health System have significantly longer lengths of stay compared to non-homeless patients – a combined result of limited discharge options and serious clinical challenges. When earlier treatment options and more community housing are available, inpatient lengths of stay and associated costs are reduced.

Mental health services leverage additional federal support: Mental health services often are a gateway to other important resources – including federal disability benefits. Over the past year, HCH has worked closely with the MHA-Office of Special Needs to expand the SSI/SSDI Outreach, Access, and Recovery (SOAR) Initiative in Maryland. SOAR trains case managers – most of whom are community mental health providers – to effectively gather and present medical evidence material to an applicant’s disability. SOAR also builds connections and facilitates communication among community providers, Disability Determination Services, and the Social Security Administration. Maryland’s SOAR Initiative has grown substantially in the past few years due in large part to the leadership and commitment of the MHA-Office of Special Populations. The initiative now serves homeless individuals with severe disabilities statewide.

The MHA-funded SOAR Initiative has been successful. Statewide, 84% of SOAR applications have been approved – substantially higher than the 10-15% approval rate for homeless applicants generally. In Baltimore City, the first Maryland jurisdiction to implement SOAR, 140 of 150 SOAR applications (93%) have been approved in an average of 62 days – with many more applicants benefiting from the use of SOAR-methods. In addition to expediting the disability process, SOAR accelerates access to comprehensive health insurance – primarily Medicaid and Medicare for disabled individuals. This decreases costs associated with uncompensated and emergency medical care. In addition, obtaining Medical Assistance allows for more comprehensive treatment of mental health conditions, decreasing unnecessary incarcerations or hospitalizations. While Maryland only recently has begun tracking Medicaid reimbursements as a result of its SOAR Initiative, elsewhere in the U.S., SOAR has brought substantial federal funds into the state. For example, North Carolina found that its SOAR Initiative brought over \$4.6 million in federal disability payments. Through retroactive payments and by expediting the benefits process, the state is able to acquire federal dollars or recoup state funds from other programs.

HCH encourages policies that allow people to thrive in the least restrictive environments possible. Across the country, the paradigm for providing services to people experiencing homelessness is changing from a “housing readiness” approach to include a broader range of supportive housing models. In Baltimore City, HCH – in partnership with Baltimore Mental Health Systems and others – has successfully housed more than 200 people who had been “chronically” homeless (most with serious mental illnesses) through a “Housing First” approach inclusive of intensive medical, mental health, social work, and vocational services. More than 85% have remained housed and off the streets. Such programs work only when robust mental health services are sufficiently available in the community.

Grant funds and Medicaid reimbursement work in partnership: During these difficult economic times, more and more people turn to the public mental health system – many for the first time. It is therefore important that all available funding sources continue to support the public system. The increase in coverage for adults through Medicaid expansion is extremely promising in that it provides reimbursable services to those in need while maximizing federal funds. Given that many homeless individuals are uninsured when they first enter the system (even though many eventually qualify for PAC or full Medicaid), grant funding must remain steady in order to promote immediate access to the services that ultimately leverage federal support.

HCH respectfully urges the committee to resist cuts to MHA’s budget. Thank you for your consideration.

Health Care for the Homeless (HCH) provides comprehensive adult and pediatric medical care, mental health services, social work and case management, 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.