



For Immediate Release

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Michigan's Public Health System - New Report Finds High Performance and Ability to Bend Healthcare Cost Curve

LANSING, Mich. (May 28, 2020) –Through the use of person-centered community-based rather than institution-based care, Michigan's public mental health system returns a 37-fold investment on the state dollars that fund that system, according to a new report released today by the Center for Healthcare Integration and Innovation (CHI2), the policy arm of [The Community Mental Health Association of Michigan. \(CMHA\)](#). The report, entitled "[A Tradition of Excellence and Innovation: Measuring the Performance of Michigan's Public Mental Health System](#)," examines the performance of Michigan's public mental health system against several state-established and national standards. The report comes at a critical time as communities across Michigan and the U.S. face a growing need for mental health support, resulting from the devastating impact of coronavirus.

The study demonstrates performance from Michigan's public mental health system surpassed other states and systems, measured by dimensions of health care quality and innovation. CHI2 drew from national and Michigan-based sources to demonstrate services available to support residents seeking mental health services. Key data points include:

- **Strong, longstanding performance against state established and nationally recognized performance standards:** Michigan's public mental health system has exceeded the state established standards for 37 of the 38 standards measured. For the one standard not exceeded, the system was below the state standard by only 1.63% from the 95% standard.
- **A national leader in de-institutionalization and community-based care:** Michigan's use of state psychiatric hospitals compared to the rest of the country is significantly less, with other states using state psychiatric hospitals 17 times more, per-capita, than Michigan—a testament to the state's strong movement to a de-institutionalized and community-based system of care. In fact, if the \$3.469 billion that are currently used to serve over 350,000 Michiganders per year were spent solely on the provision of long-term care at state psychiatric hospitals and developmental disability centers, then those dollars would only serve 9,500 people per year. This conversion of care from state mental hospitals to community-based care means Michigan's public mental health system serves 37 times more people through the community-based system, for the same dollars, than if these persons were served in state psychiatric hospitals.
- **High rankings against national standards of behavioral health prevalence and services accessibility:** Michigan ranks sixth nationally in serving adults, compared to 50 states and the District of Columbia, as cited by Mental Health in America in 2020.
- **Proven ability to control costs over decades, resulting in major costs savings:** When compared to Medicaid cost increases seen across the country, from 1998 to 2015, Michigan's public mental health system has saved the state of Michigan \$5.27 billion. If extrapolated through 2024, Michigan could save over \$12 billion. The report found the approaches that the public system uses to control costs—including active management of comprehensive services, a person-centered planning approach, a whole-person orientation that involves hands-on work in addressing the social determinants of health (housing, employment, income, safety, family functioning, transportation) and very low overhead—contrast sharply with the approach of private systems.
- **Pursuit of healthcare integration and evidence-based practices:** More than 620 integration efforts led by the public mental health system—weaving mental health care with primary care—take place throughout the state to lower costs of services, increase access to care, improve preventative intervention and serve the whole person.

“Michigan’s public mental health system has proven reliable and longstanding through financial challenges and pandemics alike, and continues to outperform systems across the country,” said CMHA CEO Bob Sheehan. “We must keep that system a public system and prioritize funding for our public mental health system to continue providing the high-quality mental health supports and services that hundreds of thousands of Michiganders have come to rely on now, and well into the future.”

The data also found factors that make a public system more cost effective than a private system, including active management of comprehensive services, a person-centered planning approach and high medical loss ratios (low spending on administrative costs to allocate those dollars towards Medicaid beneficiaries).

For more information and to access the full study, please visit <https://cmham.org/wp-content/uploads/2020/05/CHI2-tradition-of-excellence-and-innovation-May-2020-1.pdf>

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