

S T A T E O F M I C H I G A N

BOARD OF COMMISSIONERS OF THE COUNTY OF ALLEGAN

BOARD OF COMMISSIONERS - OPPOSES THE MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES' (MDHHS) PLAN

WHEREAS, the State of Michigan currently operates a publicly managed and community-based system for the delivery of specialty behavioral health services through 10 Prepaid Inpatient Health Plans (PIHPs), which are responsible for managing Medicaid mental health, developmental disability, and substance use disorder services; and

WHEREAS, the current PIHP system has consistently demonstrated value, local accountability, and community engagement, while successfully managing costs and improving health outcomes for vulnerable populations; and

WHEREAS, the Michigan Department of Health and Human Services (MDHHS) recently announced plans to initiate a competitive procurement process for the management of PIHP functions, which may open the door to private, non-profit health plans or managed care organizations (MCOs) assuming control over behavioral health services; and

WHEREAS, such privatization could disrupt longstanding relationships between local mental health authorities, providers, and the communities they serve, and jeopardize the person-centered, recovery-oriented approach that has been cultivated under the public system; and

WHEREAS, many stakeholders, including individuals receiving services, advocates, local officials, and providers have expressed significant concerns about the potential impact of a competitive procurement process on care quality, access, local control, and transparency; and

WHEREAS, counties across Michigan have historically played a vital role in the governance, funding, and oversight of the public behavioral health system, and any change to that structure without meaningful county input undermines the principle of local governance; and

WHEREAS, maintaining a publicly accountable and locally governed behavioral health system is essential to ensuring that individuals with mental health and substance use needs receive timely, appropriate, and high-quality care.

THEREFORE, BE IT RESOLVED, that the Allegan County Board of Commissioners formally opposes the Michigan Department of Health and Human Services' (MDHHS) plan to implement a competitive

procurement process for Prepaid Inpatient Health Plans (PIHPs);
and

BE IT FURTHER RESOLVED, that the Board urges Governor Whitmer, the Michigan Department of Health and Human Services (MDHHS), the Michigan Legislature to halt any plans for privatization and instead work collaboratively with counties, PIHPs, Community Mental Health Services Programs (CMHSPs), service users, and other stakeholders to strengthen and improve the public behavioral health system, by only allowing public organizations with experience in managing Michigan's public mental health system to be part of any bid process should one occur; and

BE IT FINALLY RESOLVED, that a copy of this resolution be transmitted to Governor Whitmer, MDHHS Director Elizabeth Hertel, Michigan State Senators - 18th District, Thomas Albert; 20th District, Aric Nesbitt; 31st District, Roger Victory and Michigan House of Representatives - 38th District, Joey Andrews; 39th District, Pauline Wendzel; 42nd District, Matt Hall; 43rd District, Rachelle M. Smit, 79th District, Angela Rigas; and 86th District, Nancy DeBoer, and the Michigan Association of Counties (MAC), and the County's Legislative Advocate Midwest Strategy Group.

Community Mental Health Association of Michigan
CMHA advocacy strategy
MDHHS survey related to system improvement and
potential PIHP procurement
March 2025

Background:

As CMHA members know, MDHHS recently issued a [press release](#), announcing both a public comment period, centered on improvements to Michigan's public mental health services and the Department's intention to implement a competitive procurement process for the state's Prepaid Inpatient Health Plans (PIHPs).

While CMHA and its members are continually involved in system improvements, and so support this component of the Department's announcement, **the Association and its members are strongly opposed to any procurement process that could open the door to the privatization of the system.**

Advocacy plan

In response to this press release, CMHA immediately took a number of actions in partnership with CMHA members and allies across the state. The actions already taken by CMHA to date are included in the advocacy plan below.

This advocacy plan reflects proven advocacy approaches used by CMHA to successfully thwart past attempts to privatize Michigan's public mental health system; foundational tools used in successful advocacy efforts; and the recommendations of the CEOs of Michigan's CMHSPs and PIHPs who attended a recent, mid-March, meeting of those CEOs.

A. Talking points for use in any or all of the advocacy efforts outlined below:

1. **Strong support for seeking views of persons served and stakeholders of the system.** CMHA and its members applaud this effort to collect the views, from the diverse set of stakeholders of Michigan's public mental health system, around approaches to refine and improve this system.
2. **State needs to take meaningful action, rather than the procurement process, to address views collected in this and prior efforts to gather the views of persons served and other stakeholders.** We expect the views of those who respond to the survey to amplify the views, long expressed, of persons served, the state's advocacy groups, the CMHs, PIHPs, and providers who make up the state's public mental health system around the following needs:
 - Access to behavioral health services and supports, where and when persons served need and desire them
 - High quality care
 - Availability of behavioral health staff (network capacity) across the full range of disciplines and modalities
 - Choice in key dimensions of the services and supports they receive, by persons served
 - Person Centered Planning processes that provide all persons served with the ability to exercise self determination
 - Coordination of care between behavioral health and physical health
 - Widespread use of peers in the provision of services and supports

- Conflict free systems – casemanagement, fair and unbiased appeals processes, including the recipient rights appeals process
- Effective contract oversight and enforcement of all parts of the system
- Strong voice of persons served and advocacy organizations on the governance bodies of the organizations that make up this system
- Funding sufficient to meet the actual demand for and cost of services. While services, populations, and rate floors are added to the Medicaid benefit, the funding to cover those required benefits has been insufficient statewide, with wide variation in that insufficiency across regions
- Structures that ensure local control of the system and its public nature while ensuring that these local service delivery systems are responsive to the needs of the persons and communities that they serve and that some level of uniformity exists, statewide, relative to access to and intensity of services.
- Reducing administrative and paperwork demands thus maximizing the share of the Medicaid funds provided to the system are used to fund services and supports and freeing staff time to be spent serving persons and communities

3. **No single solution to these issues:** The solutions to these issues do not lie in a single solution, including the competitive procurement of the public management care organization (PIHP) contract.

Rather than a single action, a number of parallel, concrete, and earnestly pursued efforts are needed to address these issues. Some of these efforts are currently underway (and need to be bolstered) with new efforts implemented, each specific to an issue of concern.

4. **A competitive procurement causes system chaos, does not address any of the core issues facing the system (those listed above as examples), and could be used to privatize the system:**

While we look forward to system refinement fueled by this public dialogue initiative, we are concerned that the procurement process being considered will:

- Add chaos to a system and those served by the system in the face of a deep and prolonged workforce shortage, state budget constraints, impending federal Medicaid reductions
- Open the door to privatize Michigan’s public mental health system.

Earlier proposals to privatize this system were met by vocal and widespread opposition from Michiganders from across the state. This anti-privatization sentiment remains strong among the large and vocal stakeholders of Michigan’s public mental health system.

B. Actions making up advocacy plan

1. Encourage a clear and strong voice of persons served, staff, and other allies in responding to the on-line survey, fostering their free expression of:
 - a. A complete picture of their experience with the public mental health system. That means describing what needs to be improved and what is going well and how the system has benefited you.
 - b. Their views relative to proposals to move this system under the management of private health insurance companies. Because this survey is part of a process in which some policy makers and lobbyists are proposing such a change, MDHHS needs to know your views on this privatization proposal.
2. Executive branch advocacy
 - a. Dialogue by CMHA, members, and allies with MDHHS leadership
 - b. Dialogue by CMHA, members, and allies with the Governor and her staff
3. Legislative advocacy
 - a. CMHA and members reach out to State Legislators, in both parties expressing concerns over the proposed competitive procurement
 - b. CMHA providing talking points to CMHA members and allies for use in this effort
4. Media advocacy (By CMHA; its Media/PR consultant, Lambert; CMHA members and allies)
 - a. Social media
 - b. Traditional statewide and local media
 - c. Capitol news services (Gongwer and MIRS)
5. Allying with traditional partners to join in this effort
 - a. State's leading advocacy organizations
 - b. Michigan Association of Counties
 - c. Other partners vital to prior efforts to combat privatization
6. Legal strategy
 - Obtain legal counsel relative to the legal barriers to competitive procurement of the state's PIHPs
 - CMHA to share this legal information with members
 - CMHA to take legal action, if needed, using legal arguments developed by counsel

Protecting People Over Profit

Public Management of Michigan's Behavioral Health System



On February 28, 2025 the Michigan Department of Health and Human Services (MDHHS) announced that they are seeking public input through an online survey as the department moves to a competitive procurement process for the state's Pre-Paid Inpatient Health Plan (PIHP) contracts. **Our concern is that such bid-out plans, in the past, have opened the door to the privatization of Michigan's public mental health system.**

Unmandated Competitive Procurement: A Risky Proposal That Adds Chaos to Care



Potential funding cuts on the horizon



Disrupts care and creates confusion for those relying on critical services



Procurement process is NOT being driven by Federal rules or requirements

Rather Than a Chaotic Competitive Procurement Process, Take Real Steps to Collectively Solving Core Issues

HOW BEST TO IMPROVE ACCESS TO CARE & SERVICES FOR PEOPLE IN NEED

Sufficient Funding



Ensure & Enhance Local Voice



Reduce Administrative Overhead



Increase Workforce & Network Capacity

• Sufficient Funding

Funding for the core mental health and I/DD services has remained FLAT over the past 5 fiscal years (including \$0 general fund increase) while medical inflation has increased by over 10%* and Medicaid expenses have increased by nearly 25%. **Inadequate funding leads to shortages in available services, long wait times, and a lack of quality mental health providers.**

• Ensure & Enhance Local Voice

Only a publicly managed system protects local input. **Privatization removes people's power, shifting care decisions to out-of-state boards with no direct ties to Michigan communities.**

• Reduce Administrative Overhead

Collectively PIHPs have a MLR (Medical Loss Ratio) of 96.3%. The **ONLY** way to reduce layers and ensure more money goes directly into services is by reducing administrative overhead, which has dramatically increased over the past 5 years. **More bureaucracy means longer wait times, more hoops to jump through, and fewer resources for essential care.**

• Increase Workforce & Network Capacity

3/4 of Michigan's public mental health organizations are experiencing workforce gaps despite salary increases or retention bonuses. Top reasons people leave the public mental health field: (1) too much paperwork / administrative hoops to jump through, and (2) better pay and work life balance. **A shortage of mental health workers means longer wait times, fewer available services—leaving Michigan's most vulnerable without the support they need.**

*According to the U.S. Bureau of Labor Statistics