

CALL TO ACTION

*~a monthly public policy newsletter from the Mental Health Association in Michigan
(MHAM)~*

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Decision on Individual Department Budgets Awaited; Prison Privatization Bill Succeeds

As this is written (October 26), budgets for individual state departments in Fiscal Year-08 have not been finalized. The 30-day continuation budget period enacted for Michigan October 1 is almost up. Whether we wind up with another 30-day extension remains to be seen.

House-Senate Conference Committees have reportedly come to agreement on a number of state department budgets, but not yet all of them, and there has no been agreement between the two chambers on whether all budgets have to be ready before any are voted through.

As readers probably know, the revenue steps enacted by the Legislature and Governor at the start of October left over \$400 million in state spending cuts to be made. Among the areas thought threatened was Medicaid coverage for 19-20 year-olds and caretaker relatives in the Department of Community Health (DCH) budget. According to media reports, it has been decided that Medicaid protection for these populations will remain. One of the major stumbling blocks still in play is whether and to what degree privatization of services within the Department of Human Services budget will increase.

If there is not another continuation budget and some or all of the departments relating to MHAM's work have FY-08 budgets shortly, we will report details in our next issue.

Among the revenue steps taken earlier this month, there has been much public attention given to application of the sales tax to certain services not previously subjected to it. The business community has been quite upset. One of the business community's points is that this was done without any legislative hearings or other significant public discussion and debate.

That point is hard to refute. And there is another important matter emanating from the revenue work of September 29-30 that can and should be similarly questioned.

Senate Republicans tie-barred numerous bills to the tax increases of that weekend, and one of them (SB 622) allows the Department of Corrections (DOC) to privatize care and treatment of prison inmates with mental illness. (At present, this is a joint responsibility of DCH and DOC.) We're disappointed to report that the Governor accepted this as part of the overall deal on increased state revenues, even though SB 622 never underwent any legislative hearing or other form of meaningful public review and comment. The subject matter involved is far too important, literally encompassing life-and-death matters, to become law under such circumstances. Concerned entities such as MHAM were able to make some modest revision to the final form of the bill, but we could not get the tie-bar taken off, given the Governor's acceptance of the legislation within an overall deal.

In its final form, SB 622 continues to leave DOC in ultimate charge of the corrections mental health program, while continuing to assign DCH responsibilities for program evaluation. Whereas previously DCH was the only care-and-treatment contractor DOC could use, DOC may now contract for such services (if it wishes to engage in any contracting) with DCH or other entities, which could include for-profit providers.

Representatives of MHAM and some other concerned parties recently met with DOC Director Patricia Caruso on what happens next. We were impressed with Director Caruso's stated views for the need to proceed in a cautious, balanced manner – one that involves communications between DOC and DCH as well as stakeholder input – before a decision is made on whether and to what degree the new options created by SB 622 should be pursued. We look forward to continuing our dialogue with Director Caruso on this critical issue.

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Mental Health Association in Michigan

Mark Reinstein, Ph.D., President & CEO ~ Linda Hryhorczuk, M.D., Board Chair
30233 Southfield Rd., Ste. 220, Southfield MI 48076 ~ Phone: 248/647-1711 ~ Fax: 248/647-

1732

e-mail: info@mha-mi.org ~ web: www.mha-mi.org (Frank Andreae, Webmaster)

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