Our public mental health system’s funding solutions are 30 years out-of-date. Together, we need to address the ancient funding issues to accommodate new behavioral health care changes, services, and risks.

### Solutions

**Set Medicaid rates to match demands & costs.**

Reflect the actual and projected growth in demand for and the real costs of providing the services.

**Make it so that Medicaid rates include contributions to risk reserves.**

The contributions should be at a level sufficient for fiscal soundness of the public mental health system.

**Allow the public mental health system to hold sufficient risk reserves.**

Increase the size of Prepaid Inpatient Health Plan (PIHP) risk reserves to a reasonable level and move to a shared CMH and PIHP savings model.

**Remove the local match draw-down obligation, Section 928 in the appropriations boilerplate.**

This language earmarks the $25.2 million local money given to CMHs by their counties to draw down additional Medicaid funds.

**Restore General Fund dollars to the public mental health system.**

CMH’s need a full year of general fund allocation to be a minimum of $170 million.

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**Comparison Between Recommended Internal Service Fund Levels, Minimal Levels, and Current Levels (FY 2014 - FY 2017)**

- **Recommended Risk Reserve**: Two Years of Potential Losses @ 15%
- **Minimal Risk Reserve**: One Year of Potential Liability to Equal 7.5%
- **Percentage of which Internal Service Funds are to All Medicaid Funding at Year End**

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