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California's protection and advocacy system

May 26, 2009

Honorable Noreen Evans
Chair, Assembly Budget Committee – Assembly Budget Conference
Capitol Building, Room 6026
Sacramento, CA 95814

RE: May Budget Revision Reductions to Mental Health Managed Care Services, Early and Periodic Screening, Diagnosis and Treatment Services (EPSDT) and Institutes for Mental Diseases Ancillary Services - OPPOSE

Dear Assembly Member Noreen Evans:

Disability Rights California, a non-profit advocacy organization mandated to advance the human and legal rights of people with disabilities, is opposed to the proposed reductions to Mental Health Managed Care Services, Early and Periodic Screening, Diagnosis and Treatment Services (EPSDT) and ancillary service payments for residents of Institutes for Mental Diseases.

The Governor's May Revision proposes to reduce Mental Health Managed Care Services and Early and Periodic Screening, Diagnosis, and Treatment Services (EPSDT). Mental Health Managed Care services retained include acute inpatient services and prescription drugs for Medi-Cal enrollees only. EPSDT savings result from eliminating General Fund support for county programs identified as new programs in 2007-08 and 2008-09. These reductions will mean a loss of significant federal matching funds. Further the reductions will result in increases in acute hospitalizations, homelessness and people with untreated mental health disabilities. The Governor also proposes to reduce ancillary service payments for residents of Institutes for Mental Diseases. This would deprive individuals of medical

services necessary for treatment and recovery.

Managed care mental health services: The counties provide what are called “specialty mental health services, through managed care.” These are mental health services that are not provided by physical health care providers or by Medi-Cal fee-for-service providers. These include inpatient hospital services, outpatient mental health services including residential services, and targeted case management. Outpatient services can be provided by psychiatrists, psychologists, licensed clinical social workers, marriage and family therapists, and peer counselors. Eliminating these services will mean that people with mental health disabilities will not have needed services resulting in more acute care hospitalization and homelessness. Further eliminating these services will mean California and its counties will not get federal matching dollars.

EPSDT: EPSDT stands for “Early and Periodic Screening, Diagnosis and Treatment. It is a Medi-Cal benefit for people under age 21.

EPSDT requires states to provide children with all services listed in the Medi-Cal schedule of benefits that are appropriate for children, as well as all other medical services that are eligible for federal matching funds. These services include Therapeutic Behavioral Services (TBS) and Therapeutic Foster Care.

These programs resulted in an increase in children’s mental health services under EPSDT. EPSDT, like most other Medi-Cal services, is an entitlement, so state General Fund expenditures for EPSDT have been driven by the increases in entitlement for these services that are mandated by federal law. The state cannot eliminate the federal entitlement to EPSDT services unless it gives up all of its federal Medi-Cal matching funds - so essentially this will result in an unfunded mandate to the counties. Further if Therapeutic Behavioral Services and Therapeutic Foster Care are eliminated as a result of these reductions – the State could be in violation of the Emily Q. and Katie A. lawsuits, which resulted in the establishment of those required services.

Institutes for Mental Diseases (IMD): The reduction in ancillary services such as physical health care, pharmacy and laboratory services, will mean people will not receive the services they need to maintain their physical health while in IMDs.

For the above reasons we believe the Conference Committee should consider other less devastating reductions. Please contact me if you have any questions about our position.

Very truly yours,

A handwritten signature in black ink, appearing to read "Margaret Johnson". The signature is fluid and cursive, with a large initial "M" and "J".

Margaret Johnson, Esq.
Disability Rights California
Advocacy Director