



ODMHSAS BUDGET PRESENTATION

JANUARY 16, 2018

TERRI WHITE
ODMHSAS COMMISSIONER



THERE ARE TWO SIGNIFICANT ODMHSAS FUNDING CHALLENGES

Current FY Funding Challenge:

There is still a **\$21.5 million budget hole** that exists in the current fiscal year budget that must be addressed prior to April 2018 in order for the agency to avoid devastating service cuts in May and June of this year.

FY2019 Budget Request:

The department's **FY2019 budget request** prioritizes the maintaining of services at current levels, reversing last year's cuts to services and provider rates, and continuing the standards of excellence in service delivery that have been achieved.

- There are **197,000 Oklahomans receiving services through the ODMHSAS** statewide community services network, which is still only one-third of Oklahomans who need treatment actually access appropriate care.
- This request also focuses on issues the department is being forced to find solutions for as a result of state questions and legislation.
- The budget request prioritizes life and death treatment needs that save lives, and **saves tax dollars.**



OKLAHOMA CONSISTENTLY HAS HIGH RATES MENTAL ILLNESS/SUBSTANCE ABUSE WITH TOO FEW ABLE TO ACCESS APPROPRIATE CARE

Oklahoma Consistently Has Among The Highest Rates Nationally for Mental Illness and Substance Abuse

Any Mental Illness	Any Substance Use Disorder
21% (Up to 610,000 Oklahoma adults based on SAMHSA estimates)	10-12% (Up to 300,000 Oklahomans 12+ needing treatment intervention)
Estimates consistently range between 20-22% with increasing rates of MDE in children (SAMSHA NSDUH and Region VI Barometer Reports)	Oklahoma experiences very high rates for 18-26 populations regarding multiple substances/risk factors (SAMSHA NSDUH and Region VI Barometer Reports .

- Between 700,000 – 900,000 Oklahomans are in need of services for these diseases of the brain (approximately 600,000 reporting mental illness and 300,000 reporting alcohol or illicit drug dependence/abuse).
- Only 1 in 3 of these Oklahomans are accessing the medical services they need to treat these diseases.



BECAUSE OF THE NUMBERS IMPACTED, BRAIN HEALTH IS A PRIORITY IN OUR STATE

The Tulsa World

Wayne Greene: Drug courts save lives, but if that doesn't matter to you, they save money too

Opinion, April 7, 2017

The Oklahoman

Important to properly fund Oklahoma mental health agency

Editorial, Published: March 7, 2017

McAlester News

Pittsburg County has high rate of suicide

Jul 10, 2017

News9

Commission Battling Opioid Abuse with Few State Resources

Sep 29, 2017

Stillwater NewsPress

Cycle of crisis: City leaders decry lack of mental health treatment options

Apr 5, 2017

The Enid News

State weighing cuts to mental health care: Local officials worry short-term cuts will have greater long-term costs

July 19, 2017

The Tulsa World

Latest state cuts 'catastrophic,' Tulsa mental health professionals say

Oct. 18, 2017

KSWO TV

Cuts to mental health could affect police response

October 18th 2017

Oklahoma Watch

As Meth Surges, Overdose Deaths Reach New Record in Oklahoma

March 26, 2017

The Oklahoman

As opioid crisis continues, meth, heroin use raise alarm

Sunday, July 30, 2017

Atoka County Times

House Speaker McCall Assures Mental Health Will Continue Receiving Funds

October 25, 2017

The Journal Record

Budget shortfall could send thousands of drug court participants to prison

October 19, 2017

KOCO TV

Oklahoma hospitals about to feel stress cuts to mental health, substance abuse services

Oct 18, 2017

The Oklahoman

Thousands swamp Oklahoma Capitol for mental health rally

October 25, 2017

The Woodward News

Suicide numbers keep increasing

Sep 15, 2017



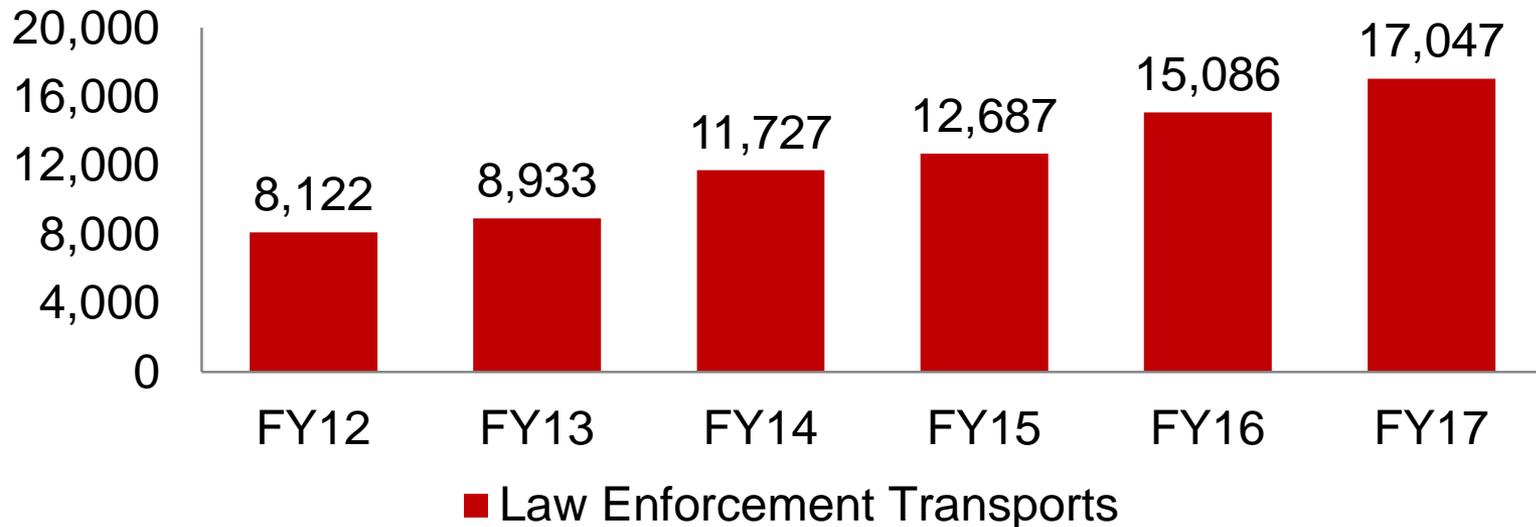
LACK OF TREATMENT RESULTS IN ADVANCED ILLNESS, MORE COSTLY SERVICES AND PREMATURE DEATH

- A 2016 study by the Commonwealth Fund concluded that three causes of death accounted for increased midlife white mortality: **Accidental poisonings** (mostly drug overdoses), **suicides** and **chronic liver disease/cirrhosis associated with alcohol consumption**.
- Oklahoma was one of only seven states where the death rate combined surpassed 200 deaths per 100,000.
 - **640 Oklahomans** died from chronic liver disease and cirrhosis in 2016 (up from 597 in 2015, and up by 44% over the past 10 years).
 - **822 Oklahomans** died due to suicide in 2016 (the previous high number was 790 in 2013).
 - **692 Oklahomans** died due to unintentional overdose in 2015 (this is a number that is still far too high, but decreasing due to intervention).



LACK OF TREATMENT INCREASES LAW ENFORCEMENT ENGAGEMENT AND CRISIS SITUATIONS

- Law Enforcement transports have more than doubled since FY12, an indicator of increased acuity and need for treatment services in Oklahoma.



- Lack of access means that people become more ill to the point that more costly services are required to address the problem. The impact is often also felt in other areas (and state agency budgets).



THE IMPACT IS BEYOND THE TREATMENT SYSTEM OR INDIVIDUAL

Primary Impact is the Cost to Incarcerate

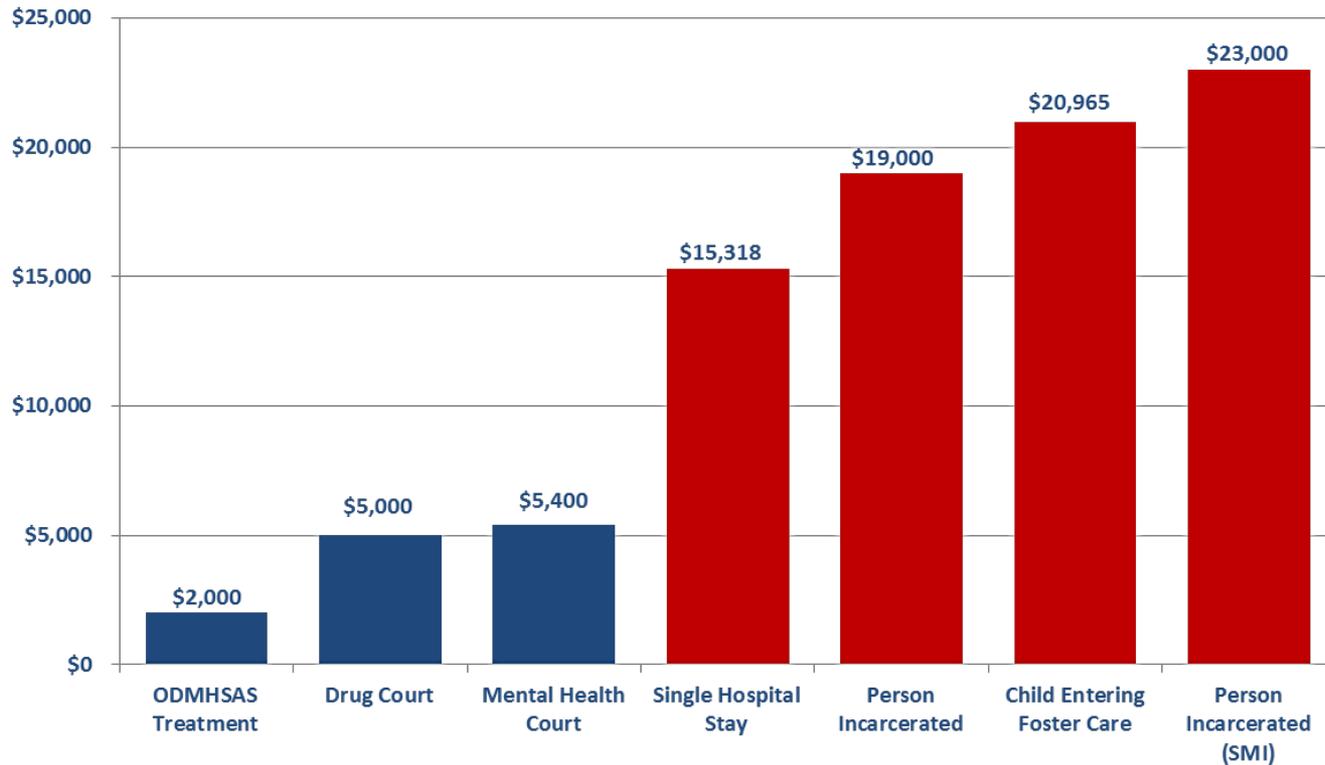
- In FY17, there were 9,627 DOC receptions of which approximately 7,000 were for non-violent offenses (almost 75% of prison receptions that year).
- DOC data estimates that 82% (or over 5,700) of all non-violent DOC receptions are individuals with a mental health or substance abuse treatment need.
- The **projected growth of our prison population** over the next 10 years (growth of 25%) **will cost the state nearly \$2 billion.**

UNLESS...



A LESS EXPENSIVE AND MORE EFFECTIVE OPTION IS TO PROVIDE TREATMENT

Annual Cost Comparison





ODMHSAS HAS DEMONSTRATED SUCCESS WITH CRIMINAL JUSTICE INITIATIVES

- Authorized by statute in 2012, the program uses an evidence-based risk and needs screening to **match eligible offenders with successful diversion programs within the local community.**
- Recommendations are made to the court regarding diversion options that are most appropriate (higher risk-more intensive supervision; higher treatment needs-more intensive treatment opportunities). Diversion options are specific to each individual jurisdiction (utilizing local providers).
- By providing a systematic risk and needs screening process in county jails:
 - Prosecutors, defense attorneys and the judiciary are informed of **possible treatment and supervision alternatives to incarceration.**
 - Individual cases are moved more quickly to final disposition (**fewer jail days**).
 - Individuals are **matched to the program most likely** to meet their needs, **resulting in much better diversion outcomes.**



ODMHSAS HAS DEMONSTRATED SUCCESS WITH CRIMINAL JUSTICE INITIATIVES

- Nearly **22,838 felony defendants screened in 37 counties!**
- Over **18,884 final dispositions** have been recorded.
- By serving as central screening hubs, county jail-based **screenings save diversion program resources and avoid duplicative assessment processes!**

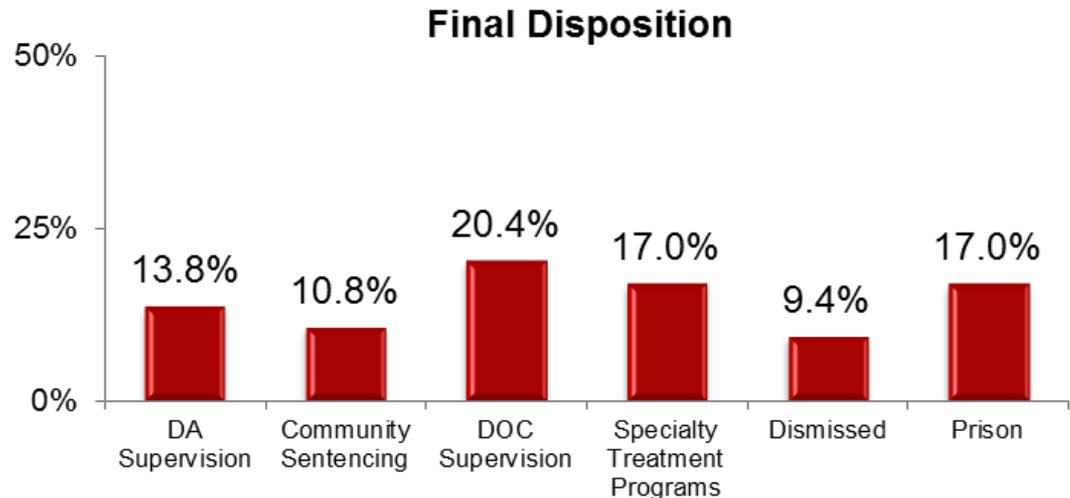
Demonstrated Outcomes:

In Tulsa County alone!

- **87% decrease in jail days** (31 days pre-implementation to 4 post-implementation)
- **\$2.2 million jail cost savings** (\$2.53M pre-implementation to \$326,802 post-implementation)

In Pontotoc County!

- **72% decrease in days from arrest to drug court admission** (221.5 days pre-implementation to 61.7 days post-implementation)



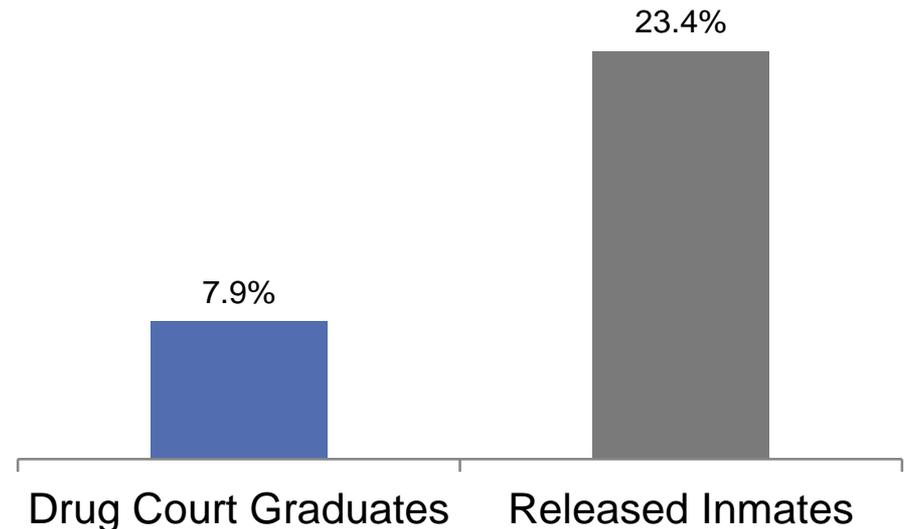


ODMHSAS HAS DEMONSTRATED SUCCESS WITH CRIMINAL JUSTICE INITIATIVES

- There are much lower rates of incarceration for drug court graduates statewide compared to released inmates.

Low Incarceration Rate Among 8,545 Graduates 3 Years Out Since 2001

- 95.2% drop in **unemployment**.
- 125.3% jump in **monthly income**.
- 153.3% increase in participants with **private health insurance**.
- 65% increase in participants who are able to again **live with their children**.



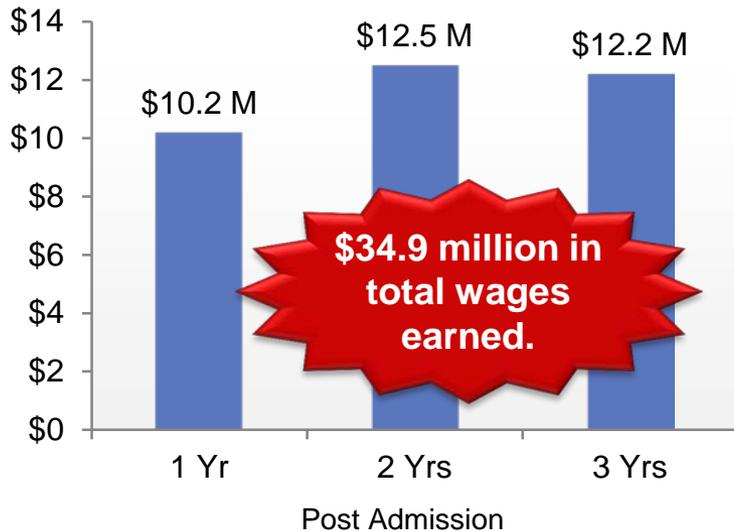


ODMHSAS HAS DEMONSTRATED SUCCESS WITH CRIMINAL JUSTICE INITIATIVES

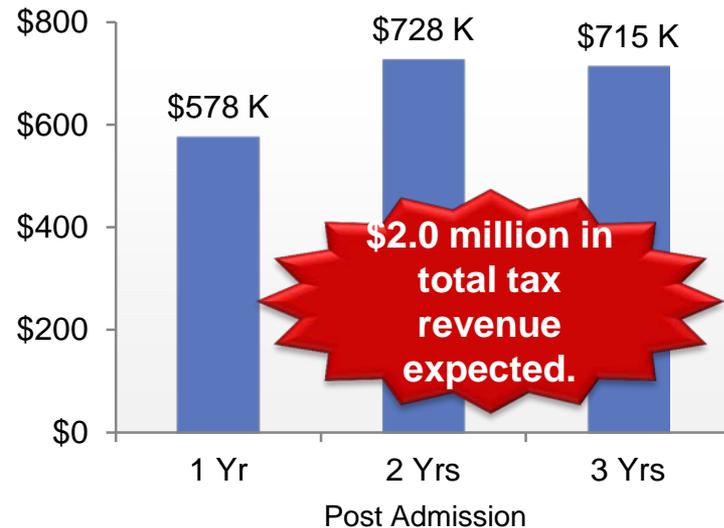
Drug Courts

- The **annual cost of drug court is \$5,000 compared to \$19,000 for incarceration.** That alone is a significant benefit. But, what really tells the story are the improved outcomes statewide.

Annual Wages Earned by 1,058 Graduates from FY09



Annual Taxes Expected to be Paid by 1,058 Graduates from FY09

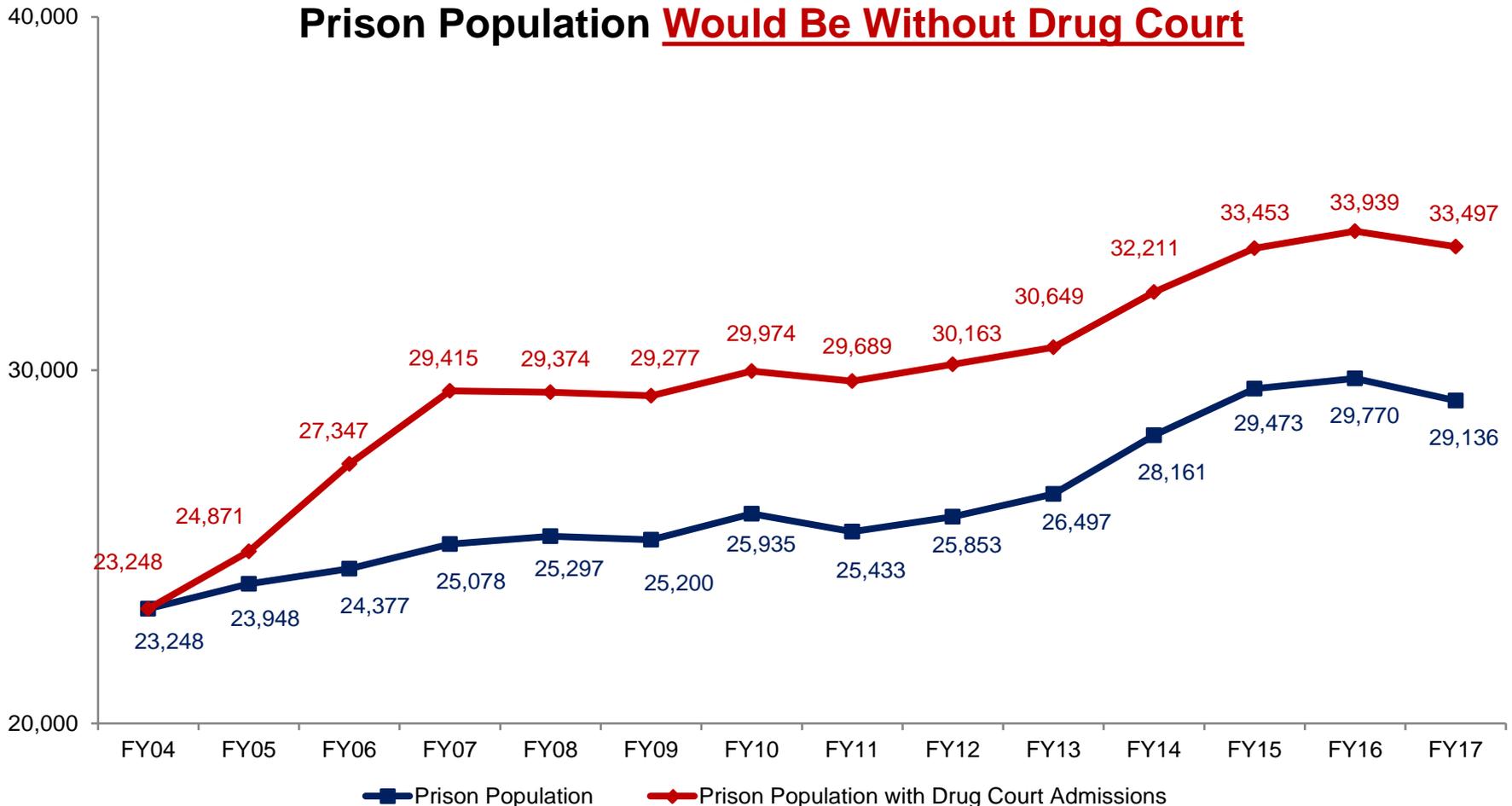


- Had these same individuals been incarcerated during that period, **it would have cost Oklahoma taxpayers \$60.3 million.**



ODMHSAS HAS DEMONSTRATED SUCCESS WITH CRIMINAL JUSTICE INITIATIVES

Prison Population with Drug Court Compared To What the Prison Population Would Be Without Drug Court





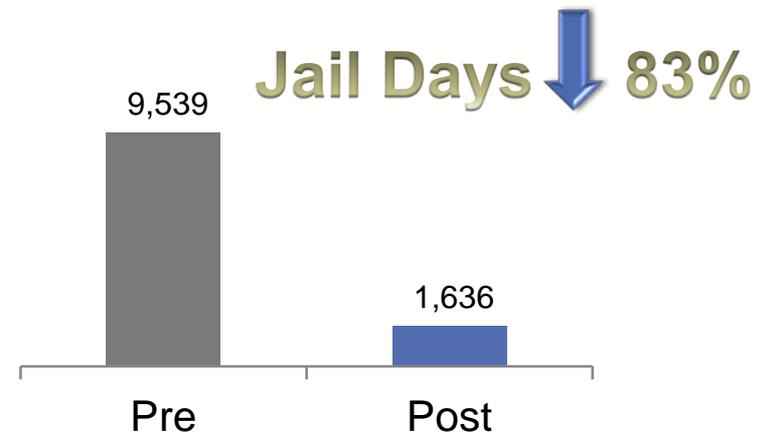
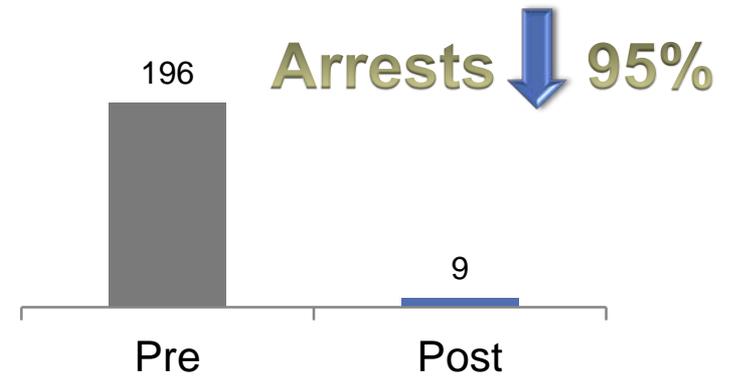
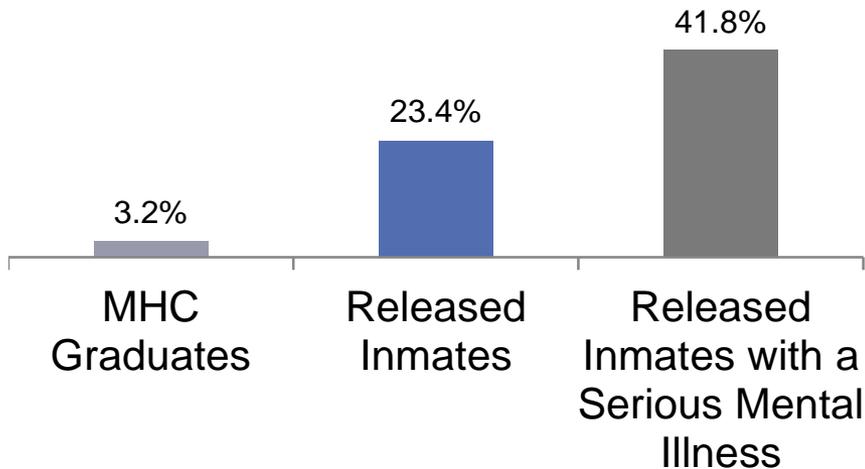
ODMHSAS HAS DEMONSTRATED SUCCESS WITH CRIMINAL JUSTICE INITIATIVES

Mental Health Courts

- While there are not as many Mental Health Courts as Drug Courts, these programs are no less impressive when it comes to delivering results.

Low Incarceration Rate

Among 434 Graduates Out an Average of 3 Years





OTHER NOTEWORTHY INITIATIVES

Suicide Prevention in Schools

- In addition to intensive work in six districts, ODMHSAS has served over 37 School Districts by providing materials, technical assistance and postvention services as a result of legislation passed for the provision of suicide prevention in public schools.
- In 2017 alone, **ODMHSAS trained over 900 school personnel across the state** to recognize students at-risk for suicide and assist with them with the referrals needed to stay safe. The department has trained over 15,000 school personnel since 2011.

SBIRT (Screening, Brief Intervention and Referral to Treatment)

- The ODMHSAS SBIRT initiative has established a collaboration with four state primary health systems (Integrus Health, Saint Anthony's, OU Medical, and Community Health Centers Incorporated) to demonstrate multilevel benefits of integrative care. Approximately 8,300 SBIRT screenings have occurred. In the past year, 10% of these individuals screened positive for alcohol abuse/addiction, 30% for depression and 16% for other drug abuse/addiction.



OTHER NOTEWORTHY INITIATIVES

Opioid Overdose Prevention (Naloxone)

- Efforts to promote naloxone have resulted in **extensive partnership with local law enforcement, providers and prescribers.**
- Over **3,000 law enforcement officers/agents have been trained** from 66 different agencies, and more than 3,000 naloxone rescue kits were distributed to law enforcement in the past year alone (over 5,000 since 2014). Law enforcement efforts have resulted in over 80 lives saved.
- Over 750 kits have been distributed through opioid treatment providers in identified high risk areas.
- The department has also ensured the availability of naloxone in local pharmacies. This has resulted in approximately 2,500 filled prescriptions and increases the potential for more lives being saved.
- There has also been a **5% decrease in prescription drug overdose deaths.**



ODMHSAS HAS ENHANCED DEPARTMENT EFFICIENCY/EFFECTIVENESS

Innovative Approaches to Address Critical Needs

ODMHSAS Telemedicine Program

- ODMHSAS telemedicine program is recognized by the American Telemedicine Association as having the largest telemedicine network in the nation that specializes in behavioral health.
- Over a measured two-year period, the department has saved approximately \$5.8 million using telemedicine capabilities.
- There are more than 500 licensed users on the network averaging 30 hours a day of video usage.
- Analysis of the network over a two-year measured period showed a 28% increase in persons receiving services via telemedicine, from 28,000 to more than 34,000.



ODMHSAS HAS ENHANCED DEPARTMENT EFFICIENCY/EFFECTIVENESS

Innovative Approaches to Address Critical Needs

Reducing the Statewide Residential Substance Abuse Waiting List

- Through award of competitive federal grant funds and modernized/evidence-based practices, ODMHSAS has reduced the statewide waiting list for residential substance abuse services from between 600-800 Oklahomans on any given day to just fewer than 500 Oklahomans.
- This has required a mobilization of the entire statewide treatment system and extensive public/private collaboration.
- In addition to reducing the number of people waiting for treatment beds, ODMHSAS has reduced wait times for the highest priority populations to less than 2 weeks, with other lower priority populations waiting less than 2 months to access a residential substance abuse bed. ODMHSAS treatment outcomes are among the best in the nation.
- This was **accomplished with no additional cost to state appropriations!**



ODMHSAS HAS ENHANCED DEPARTMENT EFFICIENCY/EFFECTIVENESS

Innovative Approaches to Address Critical Needs

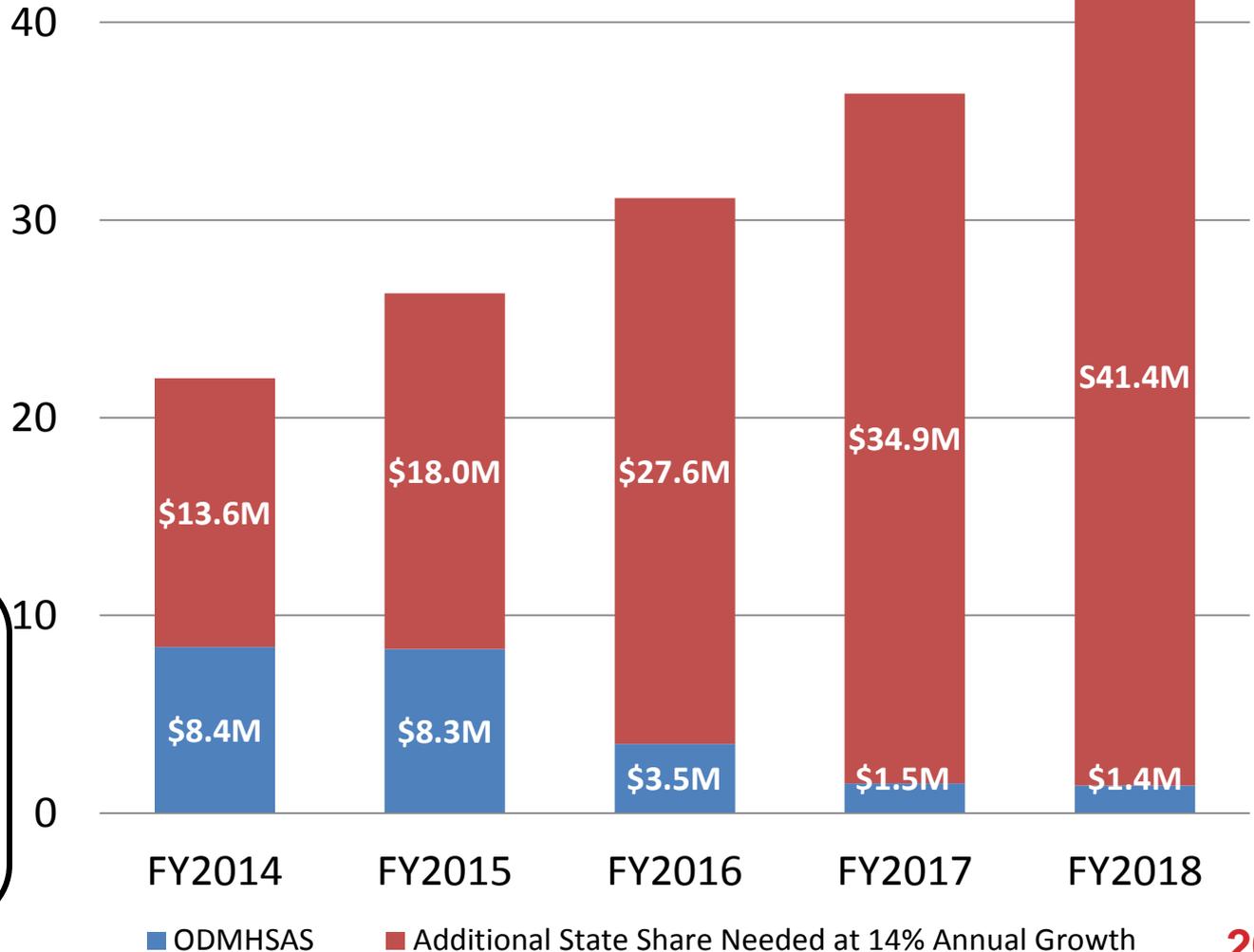
Reduced Cost and Enhanced Use of Tax Dollars

- ODMHSAS recently reorganized the department's organizational structure to increase efficiency (including a position reduction and assignment of additional duties). In total, this **reorganization has saved the department approximately \$600,000.**
- In fact, under current ODMHSAS leadership, the department has cut administrative overhead and increased operational efficiency and effectiveness.
 - An aggressive, proactive approach to modernize agency practices and create a system of continuous improvement has resulted in an administrative cost that is **consistently less than 3% annually.**
 - Agency FTEs have been reduced 26% from 2195 (FY09) to 1622 (FY16).
 - Payroll costs have steadily decreased since FY08 with total compensation being reduced from **\$124 million that fiscal year to \$99.8 million in FY16.**



ODMHSAS HAS ENHANCED DEPARTMENT EFFICIENCY/EFFECTIVENESS

Innovative Approaches to Address Critical Needs Reduced Medicaid Growth and State Cost Avoidance



ODMHSAS Growth Rate (%) By Fiscal Year

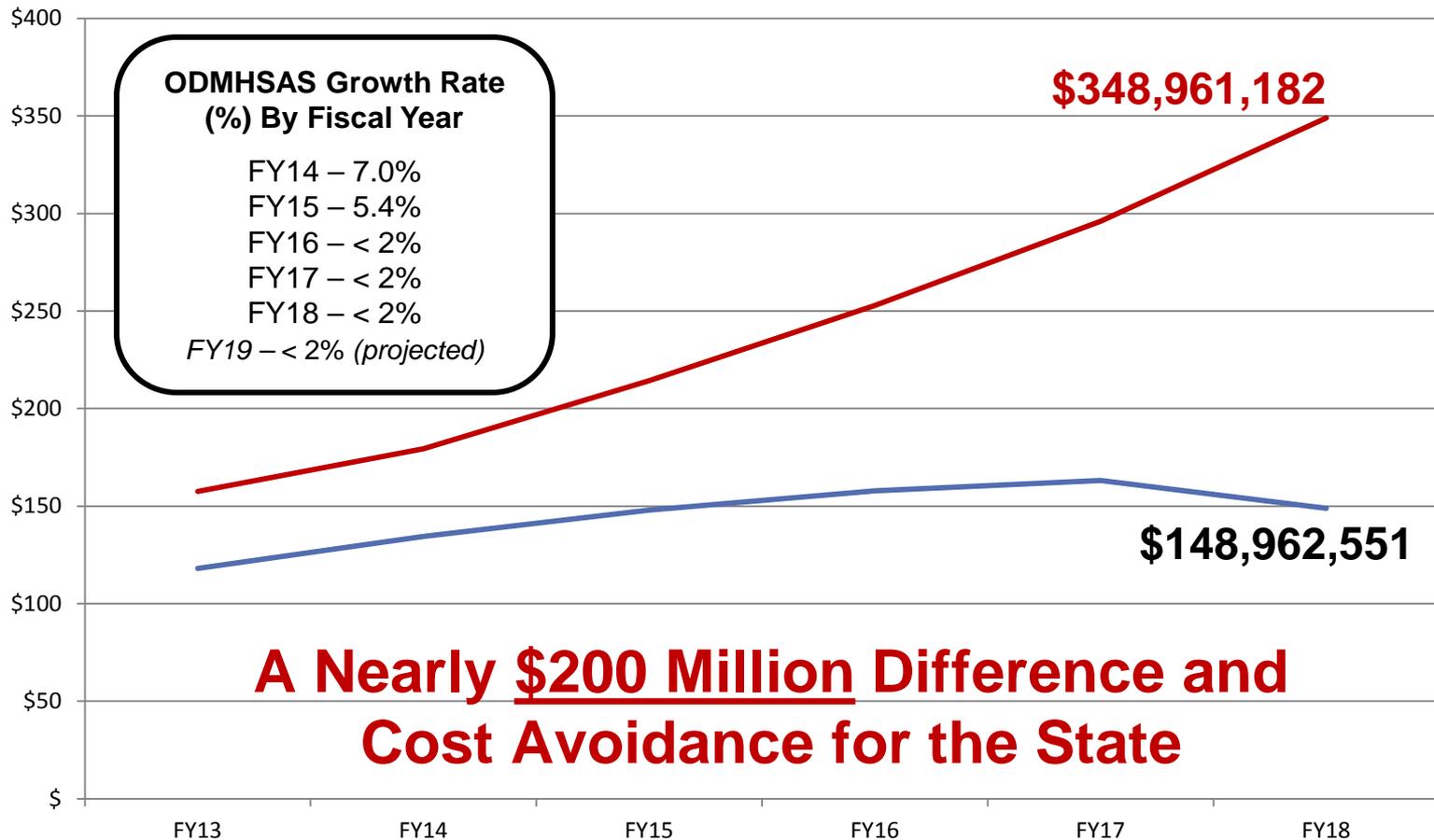
- FY14 – 7.0%
- FY15 – 5.4%
- FY16 – < 2%
- FY17 – < 2%
- FY18 – < 2%
- FY19 – < 2% (projected)



ODMHSAS HAS ENHANCED DEPARTMENT EFFICIENCY/EFFECTIVENESS

Innovative Approaches to Address Critical Needs
Reduced Medicaid Growth and State Cost Avoidance

Continued 14% Average Annual Growth Compared to ODMHSAS



A Nearly \$200 Million Difference and Cost Avoidance for the State



CUTS TO SERVICES THREATEN TO UNDO PROGRESS

Primary Cuts to Services Over the Past Four Years System/Provider Impact

	<u>State Funds</u>	<u>Fed. Match</u>
Cuts to Behavioral Health Rehabilitation Services and Establishing Billing Limits	\$25.3 Million	\$41.8 Million
Cuts to Provider Rates Including Deep Cuts to Psychotherapy Services (Slashed in Half)	\$23.8 Million	\$33.6 Million
Cuts to Case Management Services	\$3.5 Million	\$5 Million
Loss of Treatment Funds	\$52.6 Million	\$80.4 Million

Total Economic Impact/Lost Provider Funds

\$133 Million

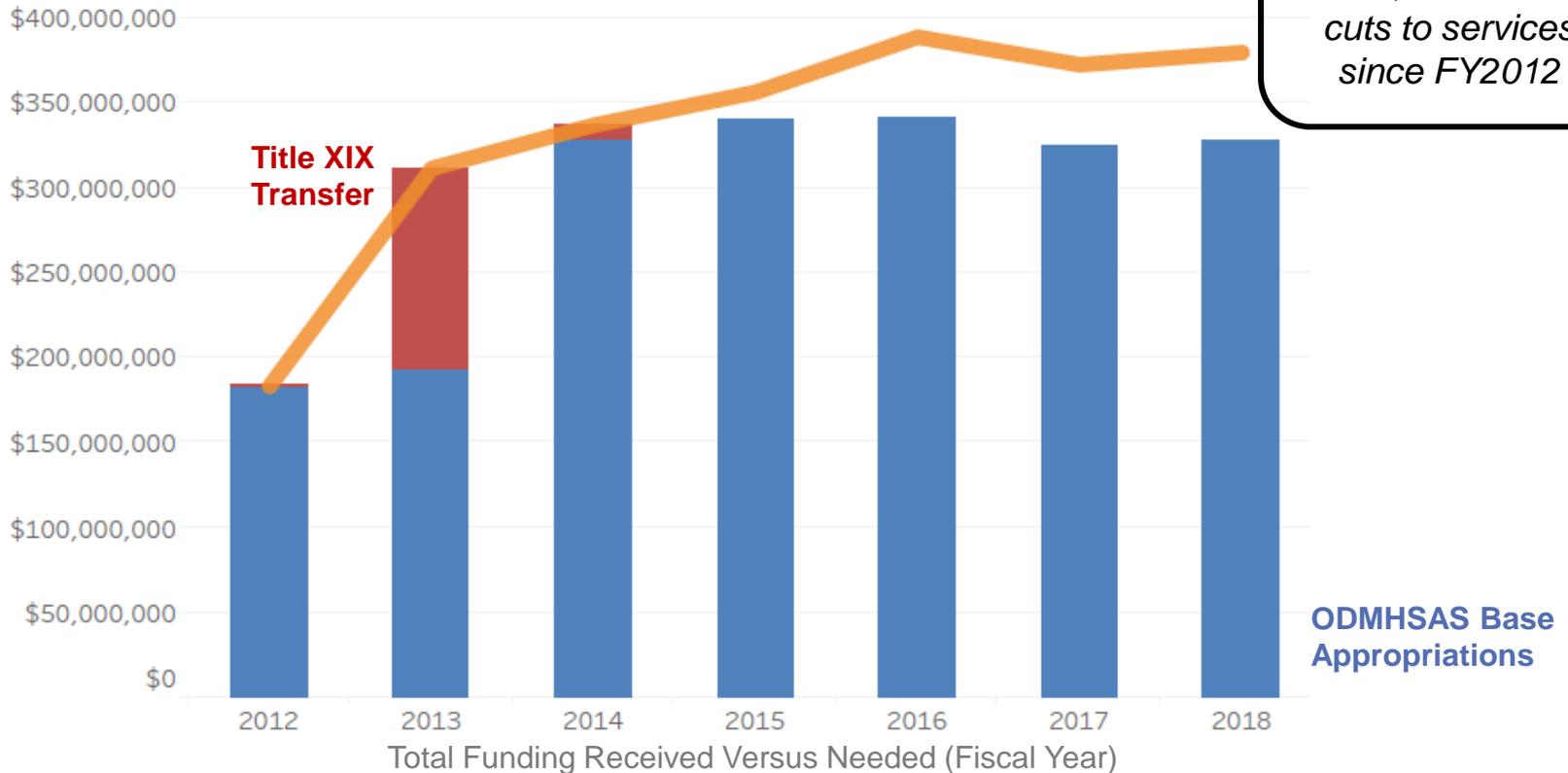
Note: Over 93% of all persons receiving department treatment and recovery services were seen by one of the systems contracted community-based providers. ODMHSAS is committed to public/private partnership for the delivery of services statewide and will continue to explore opportunities for continued success.



CUTS TO SERVICES THREATEN TO UNDO PROGRESS

ODMHSAS Cuts (Fiscal Year)

Over \$52 Million in cuts to services since FY2012



Note: The gap in needed funding means lost services to Oklahoma families in need, and lost income for local community treatment providers along with lost jobs for their treatment staff when positions are eliminated. **Over 93% of all persons receiving department treatment and recovery services were seen by one of the system's contracted community-based providers.** Over 97% of ODMHSAS funding is directly spent to deliver those services!



ODMHSAS BUDGET REQUEST

1	Maintain Existing Programs (details below)		40,056,835
	<u>Maintenance Detail:</u>		
A.	Behavioral Health Program Growth (1.86%)	2,736,209	
B.	SCHIP FMAP Decrease from Enhanced to Regular (94.96% to 59.73%)	12,253,463	
C.	2004 Tobacco Taxes (Adolescent Substance Abuse)	1,266,824	
D.	Restoration of Provider Rate and Therapy Cuts	23,800,339	
2	Alcohol Dependence Treatment and Prevention		37,817,372
3	Marijuana Treatment and Prevention Costs Resulting From SQ788		3,513,989
4	Smart on Crime Initiative		96,610,000
5	Improving Behavioral Health Access for Oklahoma's Health/Safety		12,600,179
6	Saving Lives and Families Through Suicide Prevention		450,000
7	Prescription Drug Abuse Prevention		500,000
8	Direct Care Staff Compensation Equalization		5,557,000
		Total Request	\$ 197,105,375



ODMHSAS BUDGET REQUEST

Maintenance Detail

- **Behavioral Health Program Growth (1.86%)** – The department has greatly reduced growth of the behavioral health Medicaid program since assuming responsibility for its administration, decreasing growth from a 14% average annual growth rate prior to ODMHSAS administration to under 2% in in FY16, FY17 and FY18. Projected growth for FY19 is only 1.86%, which, due to federal matching rates, **will require an additional \$2,736,209 to meet state share.**
- **CHIP FMAP Decrease from Enhanced to Regular (94.96% to 59.73%)** – CHIP has yet to be reauthorized by congress. Currently, the CHIP program is provided to the state with an enhanced 94.96% matching rate on applicable children's behavioral health Medicaid expenditures. If Congress fails to reauthorize the program at the higher match rate, Oklahoma's matching rate will then be shifted back to the standard matching rate, increasing the state share for children's behavioral health Medicaid services by \$12,253,463.



ODMHSAS BUDGET REQUEST

Maintenance Detail

- **2004 Tobacco Taxes (Adolescent Substance Abuse)** – In 2004 when Oklahoma voted to increase the tobacco tax, ODMHSAS to receive \$6 million dollars annually for adolescent substance abuse services from tobacco tax collections. ODMHSAS in each of the past couple of years has only received on average \$4.7 million. Significant need and demand for services continues, and the department is requesting the \$1,266,824 necessary to close that gap.
- **Restoration of Provider Rate and Therapy Cuts** – At the end of FY16 and beginning of FY17, ODMHSAS was forced to rip \$23 million from its budget, resulting in devastating provider rate cuts and therapy caps for Oklahomans in need of mental health and addiction treatment services. **ODMHSAS needs \$23,800,339 to restore these forced cuts** that resulted in significant cuts to provider rates over the past two years. These cuts have impacted more than 73,000 Oklahomans through the loss of previously provided services, and have meant the loss of approximately \$56 million in community-based treatment provider billing.



BUDGET REQUEST

- **Alcohol Dependence Treatment and Prevention (\$37,817,372)** – Excessive alcohol use is responsible for nearly 1,400 deaths a year in Oklahoma. The cost to Oklahoma taxpayers is approximately \$3 billion (2010) to address the consequences of additional healthcare costs, increased crime and the negative impact on businesses. Alcohol is the number one drug used by young people in Oklahoma, and the number one reason people enter substance use disorder treatment in the state.
 - Oklahoma also experiences high rates of adolescent and adult binge drinking. This is the most deadly, and costly, form of drinking. Additionally, a recent SAMHSA report estimated that 6 in 10 Oklahoma adolescents aged 12-17 perceived no great risk from having 5 or more drinks, once or twice a week.
 - Excessive drinking is preventable and alcohol use disorder is treatable through evidence-based community and clinical services. Current resources do not meet the critical need for prevention programming and community interventions, and do not meet the demand of people requiring treatment for alcohol use disorder.
 - Increased access to appropriate alcohol abuse and dependence treatment services will be provided across the statewide treatment network.
 - Resources will be directed to high need populations for the implementation of best practice community-, school-, university-, and healthcare-based prevention services including screening and brief intervention, individualized skills training, public education, and prevention of youth access.



BUDGET REQUEST

- **Marijuana Treatment and Prevention Costs Resulting From SQ788 (\$3,513,989)** – Approximately 198,000 Oklahomans (ages 12+) report using marijuana in the last month, and 358,000 report using marijuana in the last year. Additionally, an estimated 32% of Oklahoma high school students report having ever used marijuana.
 - Recent data suggest that 30 percent of those who use marijuana may have some degree of cannabis use disorder.
 - Nearly 7,600 Oklahomans receiving substance abuse treatment services through the ODMHSAS system, approximately 45% of all substance abuse treatment admissions, listed marijuana as a drug of choice.
 - A recent SAMHSA report estimated that 3 in 4 Oklahoma adolescents aged 12-17 perceived no great risk from smoking marijuana once a month.
 - Current resources do not meet the critical need for marijuana use prevention programming and do not meet the demand of people requiring treatment for cannabis use disorder.
 - Resources will be directed to high need populations for the implementation of best practice community and school-based prevention services and to provide cannabis use disorder treatment services.



BUDGET REQUEST

- **Smart on Crime (\$96,610,000)** – The ODMHSAS Smart on Crime proposal identifies model programs to divert non-violent individuals with a mental illness and/or addiction from the criminal justice system with interventions at various access points, from pre-booking to re-entry, with the intent to intervene and divert at the earliest possible opportunity.
- **Improving Behavioral Health Access for Health and Safety (\$12,600,179)** – Current resources do not meet need and require waiting lists resulting in Oklahomans becoming entangled in child welfare, criminal justice or other negative, more expensive systems. This request would be expected to fund those most at risk of becoming a danger to themselves or others.
- **Saving Lives and Families through Suicide Prevention (\$450,000)** – Oklahoma families continue to experience suicide rates that are greater than the national average with our state consistently having among the highest rates. Suicide and suicide attempts impact Oklahomans throughout the lifespan, from school age youth through our senior citizens. Suicide is preventable and attempts can be minimized through community awareness and identification strategies.



BUDGET REQUEST

- **Prescription Drug Abuse Prevention (\$500,000)** – From 2007-2013, more than 4,600 Oklahomans died from unintentional overdose. Prescription drugs are the most common substance involved in overdose deaths in Oklahoma with 9 of 10 prescription drug-related overdose deaths involving opioids. Oklahoma is ranked 8th highest nationally for prescription drug addiction, and highest in all age categories for the non-medical use of prescription opioids. Death from heroin overdose, also an opioid, is increasing in Oklahoma. Investment of funds for the prevention and treatment of opioid problems has helped temper the opioid epidemic in several areas. Continued effort and a sustained state investment of resources are required to prevent new incidents of abuse and put an end to the epidemic. Resources will be directed to 10 additional high need communities for the implementation of community-, school-, and university-based prevention services; targeted overdose prevention communication and outreach; and continuing medical education.
- **Direct Care Staff Compensation Equalization (\$5,557,000)** – Pursuant to HB 2131 from 2014, the legislature specified certain direct care positions to receive a 6.25% pay increase during FY2015. Unfortunately the legislation failed to include all department direct care staff positions, and created compression within pay bands and supervisory chains. This request is to address those two issues to ensure pay consistency and equity between similarly situated jobs and organizational units. It should also be noted that even with this adjustment, ODMHSAS employee pay will still be well below other agencies and private sector market pay.



BUDGET REQUEST

ODMHSAS Salary Comparison

ODMHSAS Salary Comparison to Other State Agencies						
	ODMHSAS	OMES	DOC	DHS	OHCA	OSDH
# of Employees (FY17)	1622	1181	4135	6015	555	1976
Average Salary (w/o temps, docs and other outliers)	\$33,700	\$53,570	\$35,734	\$39,599	\$56,972	\$46,062
Average Salary (w/o temps)	\$36,187	\$53,859	\$36,858	\$39,655	\$58,187	\$46,925

- Even with physician's salaries included, **ODMHSAS' overall average salaries are far less than those at other state agencies** (and in most cases employee numbers are fewer).



TREATMENT IS A SMART INVESTMENT

Annual Cost Comparison

