



Hunkering Down or Moving Forward Sustaining Momentum In Trying Times

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How Bad Is It?



Revenues Decreasing Quickly and Deeply

- **State Revenue Estimates Through September Already Showed Decreases Ranging Up To 12%**
- **Most of Meltdown Occurred Beginning In October**
- **Current Estimates Running As High As 35% And Still Declining**
- **Nonprofits expressing increased demand and lower contributions from other sources**
- **Foundations under stress as values of endowments have decreased by 20-60%**



The Question Now Is When & How Much



- First Round Of Cuts Already Made In Most States, second or third in some
- Mental Health Services Have Been Largely Spared in first round but not in next rounds
- Staffing Freezes Relatively Common
- Out of State Travel and Expenses Cut Back
- Salary and Benefit Freezes and Layoffs Being Discussed
- Medicaid and State Funded Services Under Pressure
- Large Structural Deficits Mounting As Legislatures Prepare To Reconvene
- Adequacy of Pension Funding Next Shoe To Drop
- No One Knows What Will Come Next



Predictable Reactions Taking Place



- Agency Heads Are Hunkering Down
 - Goal is to protect what exists
 - Approach is to lay low whenever possible
 - Need to identify a few things to curtail or suspend if asked, but not be proactive in offering cuts
- New initiatives are being suspended
 - No one expects what previously has not existed
 - Staff are needed to work on crisis
- While collaboration is needed more than ever, tendency is to look inward



What's Getting Lost ?

How Can We Change The Game?



- Tendency is to focus on what we can control
 - Increasingly, this is very little
 - Collaboration and shared objectives
- Goal must be to maintain/improve care while managing costs for the state
 - Many systems are impacting state costs
 - Many systems impacted by people's needs
- Goal needs to be to use most appropriate and cost effective service array, location and provider



Can Transformative Change Be Sustained and Advanced Now?



- **What Are We Currently Sustaining?**
 - status quo regardless of outcome
 - narrow goals of one stakeholder
 - something that has support
- **What Do We Need To Sustain?**
 - What produces the desired outcomes
 - What produces needed access to continuum
 - How, where and by whom care and needed services are delivered
- **What pieces still need to be developed and put in place**
 - What fills these gaps in the interim



Critically Review What Exists



How well are the component parts working now?

- Things that are working well are less a priority to fix or replace
- Are people getting “stuck” in levels of care or wrong settings?
- Is care too expensive to sustain? If yes, are there reasonable alternatives?
- What is missing, in short supply or unavailable in all parts of the state?



What Needs To Be Sustained?



- **How will the continuum of care and access be structured?**
- **What scale is needed? Is it possible? If not, what are alternatives?**
- **What is the scope of the benefit plan?**
- **What should be/can be cut or reduced?**
 - Full programs
 - Parts of programs
- **How do we demonstrate value and results?**



What To Do When Money Is Short



- **Determine strategic priorities**
 - Build from ground up rather than accept what currently is so
 - Importance of stakeholder involvement
 - This is separate from advocacy
- **How should the system be designed to function on 75%, 80%, 85%, 90%, 95%, 100%, 105% of current funding (all sources)**
- **What are tradeoffs of increasing/decreasing reliance on each funding stream?**
- **What transformative changes will permit the system to work better for the same or less money?**
- **What leverage is created to enact change?**
- **Who are partners in shaping and financing change?**



The Value Grid – Working The Sweet Spot



<p><u>High Cost, Low Value</u></p> <p>Goal Is To Eliminate</p> <p>Replacement or Improvement Options Are Essential</p> <p>High Likelihood To Be Scrutinized</p> <p>Potentially Embarrassing</p>	<p><u>High Cost, High Value</u></p> <p>Goal Is To Make More Efficient</p> <p>Replacement or Improvement Is Secondary Priority</p> <p>High Likelihood To Be Scrutinized</p> <p>High Cost Is Basis For Potential Criticism</p>
<p><u>Low Cost, Low Value</u></p> <p>Goal Is To Improve Value or Eliminate</p> <p>Replacement or Improvement Options Are Critically Important, But Not Essential</p> <p>High Likelihood To Be Scrutinized</p> <p>Can Be Embarrassing, But Subject To Excuses and Justifications</p>	<p><u>Low Cost, High Value</u></p> <p>Goal Is To Duplicate, Grow, Bring To Scale</p> <p>Replacement or Improvement Are Not Strategic Priorities</p> <p>Low Likelihood To Be Scrutinized</p> <p>High Value Is Basis For Publicizing</p>

