



March 6, 2003

Michael F. Hogan, Ph.D.
Chair, President's New Freedom Commission
on Mental Health
5600 Fishers Lane, Room 13C-26
Rockville, Maryland 20857

Dear Chairman Hogan and members of
the President's New Freedom Commission on Mental Health:

On behalf of the National Association of State Mental Health Program Directors (NASMHPD), we thank you for your thoughtful analysis of the public mental health system, including the candid assessment presented in your October 29, 2002 Interim Report to the President, and your leadership in proposing reforms. The barriers to care identified in your work too often result in inadequate service delivery and wasted resources, and leaders at all levels of government must acknowledge their responsibilities to dismantle them.

We were pleased that your efforts have emphasized the many creative, effective approaches to providing services and facilitating recovery by individuals with mental illnesses. Research conducted during the 1990s – the “Decade of the Brain” – has identified many evidence-based treatment options that we know are effective. In addition, increased participation by consumers and families – in their own treatment plans, in the administration of services, and in the development of policy – has precipitated a change in the culture of state-administered mental health services that now emphasizes recovery, resilience, and independence. These advances and others offer tremendous opportunities for reform.

Across the nation, state mental health agencies are responsible for designing public mental health systems that integrate the priorities and funding streams of programs designed to provide medical assistance, housing, income support, employment services, transportation, and treatment. Given this unique role, state mental health agencies are poised to serve as agents for reform and progress.

The federal government, too, has a vital role to play, particularly in light of historic budget deficits and increased demand for services at the state and local levels. However, federal programs that serve individuals with mental illnesses often are flawed in that they: (1) fail to acknowledge the unique characteristics of mental illnesses, the needs of individuals with mental illnesses, and the possibility of recovery; (2) perpetuate stigma and discrimination; (3) fail to integrate compatible program requirements, funding requirements, and goals across agencies; (4) lack the flexibility needed to design services that support individuals, not systems; and (5) lack the resources needed to effectively deliver appropriate services. As a result of these problems, state and local agencies often miss opportunities to serve individuals most effectively.

Nevertheless, we know, based on experience, that the potential for a meaningful state-federal partnership exists. Several states have been able to work closely with federal agencies to creatively adapt federal programs to meet the needs of people with mental illnesses. Unfortunately, designing and implementing these initiatives often requires extraordinary resources and ingenuity on the part of the state and dedicated federal agency staff to overcome barriers inherent in the federal programs themselves. Replicating the success of these state innovations more broadly will depend on the federal government's ability to accomplish the following:

- (1) Prioritize individuals with mental illnesses as a target population for a range of federal programs and services.
- (2) Provide states with more flexibility to identify their own priority populations and services.
- (3) Develop consistent definitions and eligibility requirements or give states the flexibility to do so themselves when necessary to integrate programs or funding.
- (4) Demonstrate partnership on the federal level with joint guidance and technical assistance across agencies and provide financial incentives for collaboration at the state level.
- (5) Provide incentives for effective service delivery and continuity of care.
- (6) Emphasize outcomes rather than process accountability.
- (7) Provide concrete technical assistance to states and communities to make existing federal programs related to housing, employment, and education more accessible for people with mental illnesses.

Most important, the federal government must back up its commitment to people with mental illnesses with additional resources to provide essential community-based services. Home and community-based waivers have become a critical component of many state strategies to reduce reliance on inpatient services in favor of effective, accessible home- and community-based care for individuals with a range of disabilities. Medicaid's bar on reimbursement for individuals receiving services in Institutions for Mental Disease (the "IMD Exclusion"), however, has had the discriminatory impact of making Medicaid home and community based waivers under section 1915(c) largely unavailable to states in developing comprehensive community-based programs to support people with mental illnesses.

The availability of small demonstration grants within several federal departments – including Housing and Urban Development (HUD), Education, and Justice – can provide an important source of funding for a few states that aggressively pursue support for a particular priority, but they cannot take the place of broad-based, stable, and adequate federal resources for services for people with mental illnesses. A meaningful federal commitment to mental health requires substantially increasing funding for block grants such as the Community Mental Health Services Performance Partnership and Projects to Assist in the Transition from Homelessness (PATH), eliminating discriminatory provisions in major federal health

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insurance programs such as Medicaid and Medicare, and increasing resources available to recipients of critical federal programs such as Supplemental Security Income (SSI).

The broad principles for federal reform outlined in this document generally do not identify specific legislative or administrative changes endorsed by NASMHPD. We support the policy recommendations described in a January 8, 2003 letter to the Commission from nine advocacy groups representing mental health consumers, families, providers, and administrators, including NASMHPD.

The states understand that successful reform cannot be accomplished unilaterally by the federal government. We know that we must continue to be creative, innovative, and resourceful. Further, we are aware that the flexibility and integration that we are requesting places new demands and responsibilities on state and local governments. In exchange for the flexibility that will permit states to meet the comprehensive needs of each individual in the public mental health system, states commit to evaluating our own performance and, if necessary, redesigning our service delivery systems to accomplish the following: (1) articulate system goals based on their effectiveness in supporting *individual consumers*, rather than the systems themselves; (2) identify missed opportunities to further those goals; and (3) challenge entrenched practices and bureaucracies that hinder, rather than further, successful recovery.

We look forward to receiving the Commission's *Final Report*. Please do not hesitate to call any of us or Robert W. Glover, Ph.D., NASMHPD's Executive Director (703-739-9333), if we can provide any assistance in the development of the report.

Sincerely,



Tom Barrett, Ph.D.
NASMHPD President



George Gintoli
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