NAMI Illinois
National Alliance on Mental Illness

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The Illinois mental health system is a vital lifeline to some of the state's most vulnerable citizens. The state's current fiscal crisis cannot be used as an excuse for the same old answer of "cutting" funds or cutting programs. Instead, it's time to use this opportunity to establish funding approaches that improve service quality and target top priorities. A vision, combined with strong leadership, can substantially improve the system and provide better services to people with mental illness.

The public servants at state agencies are working hard to make the most of limited resources, but they face many challenges in their attempts to manage a system in need of an overhaul. Illinois' public mental health system lacks financial resources and the foundation of a well designed public policy to effectively serve all of its citizens with the most severe mental illnesses. We are failing to provide acceptable quantity and quality of service for far too many of our neediest neighbors.

The good news is that the public mental health system in Illinois can be strengthened. Illinois has a strong base of public administrators, service providers, university research partners, family and consumer advocates, legislative leaders, and concerned citizens who understand the problem and are committed to improving our public mental health system. What is needed is strong executive leadership to support all efforts with comprehensive, thoughtful, long-term policy that works in the interest of the citizens of Illinois who have severe and disabling mental illnesses.

Building an effective mental health system that serves every member of the community requires simultaneous action in many areas.

DMH Provider Agencies Need Additional State Financial Support: We know how difficult the current state budget challenges are and how difficult it will be to increase funding for DMH providers of service, but there is simply no way to serve Illinois' citizens well with the current resources. Provider organizations have been flat-funded for four years and budgets were once again cut in FY09. Adjusted for inflation, that means that already thin resources have actually shrunk by 15-20% over the past four years. In addition, while the conversion to a Medicaid based system has dramatically increased state Medicaid revenue, it has also increased provider administrative costs and compliance related risk without any increase in state payment, further shrinking resources for direct care. Providers are financially stretched and cash poor, leaving their clients and the families and friends who support them uncertain about future care. Immediate needs for the public mental health system are:

- A 20% increase in funding for community mental health services to support the current level of work being done. Clearly, this is a challenge in the current environment but is possible by moving money now spent on institutional care to community programs, injecting mental health trust funds into community care, and maximizing Medicaid match opportunities.

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- Implementation of an on-going "prompt payment" system so that cash-poor providers do not need to borrow from banks or live with the constant threat of missing payrolls.
- Creation of a statewide post-payment audit risk management system to insulate providers from the risk of devastating repayment demands in the aftermath of Medicaid audits. It should be noted that repayment is not generally driven by fraud, but by immaterial or minor technical compliance issues that occasionally arise given the nature of Medicaid paperwork and the huge number of small transactions being audited.

Move Money from Institutional Care to Community Care: As many as 15,000 Illinois citizens live in IMDs "institutions for mental diseases" and nursing homes simply because they have mental illnesses. The cost of this "solution" exceeds $300 million annually, most of which is state money because IMDs are prohibited from billing Medicaid. Illinois' reliance on institutional care is unusual and there is no question about the ability of most of the individuals in institutional care to live fuller, better lives in less expensive community alternatives.

The solution requires leadership and the political will to implement public policy that is in the interest of citizens with severe mental illnesses. There is a need to:

- Reduce IMD capacity in Illinois by 15% a year for the next five years. There may be a need for a small number of short-term, transitional IMD beds, but the number should be limited.
- Prohibit by regulation the use of nursing homes for people who have mental illnesses, but no medical conditions that require significant levels of nursing care.
- Use the savings from these initiatives to create effective community services. In addition to the nearly $170 million that the state spends directly on IMDs, the conversion of these resources to community alternatives could also leverage approximately $85 million in additional Medicaid match. Those funds should also be reinvested to expand community services.

Create a Central and Strengthened Mental Health Authority: Responsibility for public mental health services in Illinois is scattered across multiple state agencies. The Division of Mental Health currently manages the core of the system through a Medicaid Waiver Program and some small grants. Healthcare and Family Services manages an expensive network of intermediate care facilities that house 15,000 people with severe mental illnesses. The Division of Rehabilitation Services is responsible for employment assistance to people with disabling mental illnesses. The Division of Child and Family Services and public school systems functionally absorb most responsibility for providing services to children with severe mental illness. Responsibility for housing supports for people with severe mental illness are scattered across a wide range of agencies in the State such as IHDA. Mental health services associated with corrections are managed by the Department of Corrections and county jails. Formal mechanisms which integrate these disparate and sometimes competing systems are weak and have no teeth for enforcement true collaboration.

No one in Illinois has clear and ultimate responsibility for this fragmented set of services and for policies associated with the needs of people with severe mental illness. And, the scattered nature of these services resulting from a lack of collaboration often decreases access and usability for people with severe mental illness and their families. There is a need to:

- Create a high level task force with the responsibility and genuine authority to create an integrated public system for serving people with severe mental illnesses.
- Create a public mental health authority with the responsibility and genuine authority to develop and lead an integrated public system for serving Illinois' citizens with severe mental illnesses.

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