March 31, 2008

The Mental Health and Mental Retardation Maintenance of Community Services Act

House Bill 2160 (Kenney)
House Bill 2241 (McIlvaine-Smith)

The community-based human service system was created by a change in state policy more than 40 years ago as an alternative to state institutions. This system, which provides mental health, mental retardation, and drug and alcohol services, is the key for many to continuing a productive life in the community, including thousands of former residents of closed state hospitals and state centers. The community-based system is dependent upon the state for sufficient resources to enable consumers to move successfully from institutional settings and to maintain those supports over time.

Key Provisions:

- The legislation provides for establishment of an annual inflationary adjustment (cost-of-living adjustment or COLA) for mental health/mental retardation/drug and alcohol (MH/MR/D&A) programs that would be tied to a national and proven index. The Home Health Market Basket Index (HHMBI) has been identified as the most appropriate index for MH/MR/D&A programs. The HHMBI for the current fiscal year is 3 percent.

- The index would ensure modest increases for programs within its scope, enabling providers to keep pace with increasing costs. This legislation would help maintain stability of the community-based MH/MR system and thus ensure the health and safety of consumers served by the system.

- The legislation includes a stipulation that funding allocated through the Department of Public Welfare to counties only be utilized to increase the rates or amount of funding for existing community-based MH/MR services.

- The MH/MR system has historically been forced to expend valuable resources to fight for annual COLAs. By instituting an index, modest inflationary adjustments would be permanently established, enabling precious resources to be directed to care.

Community-based services have proven to be significantly more cost-effective than care provided in state institutions or state centers. Adequately funding the community system is necessary to prevent the erosion of the capacity and quality of services over time.