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Palmer Outlines Mental Health and Disability Services Reform

DES MOINES, Iowa – Department of Human Services Director Chuck Palmer on Friday outlined a phased five-year plan to redesign the state's mental health and disability service system, including grouping of counties into regional administration units, additional state aid to counties, and performance-based contracts to assure quality.

Palmer endorsed nearly all of the recommendations emerging from workgroups that were appointed to study ways to replace Iowa's mental health and disability service system by the summer of 2013. He urged quick legislative approval.

"If our problems and shortcomings are not addressed, services will continue to be provided in an inconsistent and inequitable manner, and Iowa's mental health consumers will not be able to fully achieve their potential," he said.

"History has taught us that minor tweaks will not work. It will also take more than new money to improve the system. There needs to be more effective services and greater accountability to both those being served and the Iowa taxpayer."

Palmer said the current county-based method of administering services is not really a system at all, with each county's services based on varying resources, capabilities, and values. "There is no single point of authority or accountability," he said. "Nobody 'owns' the system or can be held accountable for achieving positive outcomes for people's lives."

Palmer endorsed the work groups' interim report recommending that services be administered in five to 15 regional groups of counties rather than by the 99 individual counties. He said the counties should begin forming their own groups early next year and that all of the regions should form and begin to organize no later than January 2013. That would be several months earlier than recommended by the work groups.

To assure consistency and accountability, Palmer said the DHS would negotiate performance-based contracts with each of the regional units. He said most of the county officials currently doing administrative work would likely still have the important function of case management for consumers.

Palmer also recommended that the state assume the entire state share of Medicaid payments, which would require an additional \$47 million aid to counties beginning next fiscal year. The relief would enable counties to avoid a projected sharp reduction of services for people with mental illness, many of whom are not eligible for Medicaid.

In the current system, counties impose property tax levies for mental health. The first obligation is to provide the non-state share of Medicaid, which is growing steadily and which eats away at the county's ability to fund services for people with mental illness.

Palmer said there will likely be savings as the plan is implemented, although he said there are too many variables to make an estimate.

Some savings will come from the regionalization of administration, he said. There will also be savings when the crisis intervention system prevents unnecessary and expensive involuntary commitments or criminal charges.

And he said the federal Medicaid match rate will increase as Iowa proceeds with providing a greater percentage of care in community settings rather than in institutions. Iowa has long relied too heavily on institutional care, he said.

Palmer said one of the more important improvements will be crisis intervention, including a centralized 24/7 crisis hotline, crisis mobile support, emergency walk-in capabilities, short-term residential support for people in crisis, and jail diversion.

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Editors:

- Here is the complete report presented to an interim committee Friday.
http://www.dhs.state.ia.us/docs/DHS-MHDS_SystemRedesignReportFINAL_12-09-2011.pdf
- The preliminary report:
http://www.dhs.state.ia.us/docs/lowaRedesignInterimReportREVFinal_11-08-2011.pdf