



An Affiliate of the National Mental Health Association

Mental Health Association in Texas

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IMPACT OF MENTAL HEALTH BUDGET CUTS ARE BEING FELT IN LOCAL EMERGENCY ROOMS AND CLINICS

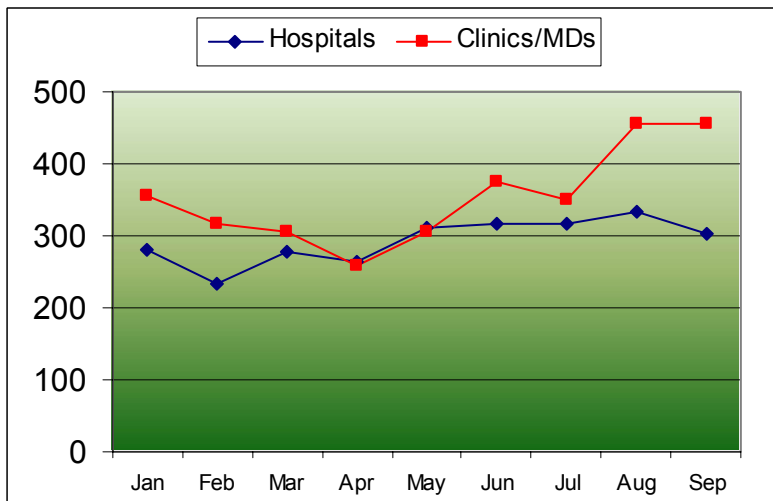
In an ongoing effort to track the impact of recent budget and policy changes, the Mental Health Association in Texas has studied the utilization of Austin area emergency rooms and primary care clinics. When public mental health centers do not have the capacity to see people with mental health disorders in a timely way, many end up in local hospitals in community health clinics. In fact, in Austin there has been a dramatic increase in the use of local emergency departments and community clinics by people with mental disorders in recent months. We believe that this is a trend that is felt statewide.

Local mental health centers have been seriously under-funded for years resulting in their inability to serve more than a fraction of those needing community mental health services. The Texas Department of Mental Health and Mental Retardation (TDMHMR) was only able to serve 26% of children and 38% of adults who were estimated to be eligible and in need of mental health services in 2002. In the first months of 2003, TDMHMR had to make an immediate 7.5% budget cut for this year. As a result of the 78th Legislative session, TDMHMR got \$58.5 million less than they requested to maintain current levels of community mental health services.

In the Austin area, people have to wait up to three months just to get an appointment to get the medications they need from the local public mental health center. In Houston and other parts of the state, the wait is reportedly much longer. Many who must wait so long for appointments are forced to go to local emergency rooms and to their primary care clinic for help.

The numbers of people seeking mental health care in Austin hospitals and community health clinics began to increase dramatically—roughly around the time the 2003 budget cuts were implemented. The following chart shows the increase in utilization of hospitals and clinics by indigent people and those insured through Medicaid and the Children’s Health Insurance Program (CHIP).

Chart 1. Central Texas Mental Health Visits to Emergency Rooms and Clinics Rising



*New data released by the Indigent Care Collaboration (ICC) show that while overall hospital emergency room and clinic encounters have NOT increased, there has been a **43% increase in visits from low income people with mental health disorders** between February and September of this year in the central Texas area.*

A special analysis of new data from hospitals and community health clinics was completed for the Mental Health Association in Texas by the Indigent Care Collaboration (ICC). The new data show a 43% increase in mental health encounters and utilization of hospital emergency rooms and community health clinics from February to September of this year in the central Texas area (see Chart 1). A dramatic 30% increase in mental health encounters has been recorded from July to August and September alone. According to the Master Patient Index/ Clinical Data Repository (MPI/CDR) compiled by the ICC, overall encounters have remained constant in number over the same time period (see Chart 2).

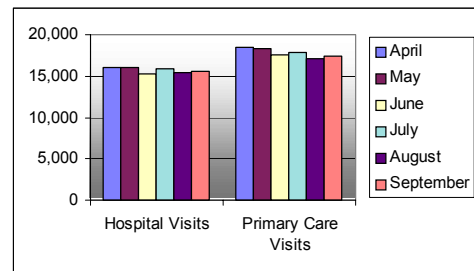


Chart 2. The number of hospital and clinic encounters has remained constant overall.

While this information is only available for the Austin area—thanks to the Indigent Care Collaboration database— there is good reason to believe that increases in use of emergency rooms and clinics are occurring all over Texas.

The cost for this care is enormous to communities and in large part falls to county tax payers. In the Austin area, community emergency rooms and community clinics have spent over \$1 million between January and September 2003 to care for low income Texans who need mental health care. Only a small portion of this cost is reimbursed by CHIP and Medicaid (estimated 12%). By comparison, if these same people had gone to the local public mental health center for an assessment, the cost would have been 25% less.

Central Texas Visits to Emergency Rooms and Community Clinics Involving Mental Health Diagnoses

	Mental Health Encounters	Estimated average cost per encounter*	Estimated cost for first nine months in 2003
Hospital Emergency Rooms	2,635 visits	\$265.00	\$698,275
Clinics	3,178 visits	\$101.00	\$320,978
Total	5,813 visits		\$1,019,253

By comparison, if the same number of people received counseling instead of a hospital or clinic visit, the cost would be much lower.

Diagnostic/ Assessment Visit	5,813 visits	\$125.00	\$726,625
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*Estimated cost of Emergency room visits is based on St David's Hospital, which uses \$265 as an average cost of an ED visit for any patient. The ICC Use and Capacity report reports the average cost of a clinic visit is \$101.39 for any patient. Medicaid reimburses ATCMHMR \$125 for a diagnostic and assessment visit.

Central Texas Visits to Emergency Rooms and Community Clinics Involving Mental Health Diagnoses have cost an estimated \$1 million between January and September 2003. The average cost of community mental health services are much lower than visits to the emergency room. Furthermore, the costs of care in emergency rooms and clinics are to a large extent born by county taxpayers across Texas. Each of the following policy changes will result in fewer people with mental illness having access to care. The inevitable result will be more visits to the emergency rooms and health clinics across the state—most of which are not in a position to provide adequate mental health care.

Statewide policy changes that reduce access to mental health care:

- **The mental health component in the Children's Health Insurance program (CHIP) was severely reduced and then partially restored.** Even though the mental health benefit was restored by Governor Perry on October 20th, families are not yet able to get these services because the systems for billing CHIP are not yet set up. Families can't afford to front the cost of care on the promise that they might get reimbursed.
- **As of November 2003, CHIP coverage has been terminated for approximately 49,000 children who were previously enrolled due primarily to the imposition of an asset limit and eliminating deductions for child care and child support.** These children no longer have access to mental health coverage through CHIP. According to the Texas Health and Human Services Commission, there will be a one-third drop in enrollment in CHIP in 2005 (from 512,986 in June 2003 to around 317,000 in 2005). In addition, more parents are expected to fail to renew their CHIP application because it must now be done every six months (previously there was annual renewal).
- **Medicaid will no longer pay for counseling services of providers that are not psychiatrists.** Medicaid benefits were severely reduced—effective October 16, 2003. Nearly 128,000 adult Medicaid recipients (21 and older) with mental health needs will no longer be able to get counseling or therapy from their licensed Psychologist, Licensed Marriage and Family Therapist, Licensed Professional Counselor, and Licensed Social Worker-Advanced Clinical Practitioner. Advocates are still working to get this benefit restored.
- **Preferred Drug list with prior authorization limits access to appropriate medications.** By virtue of the unique way psychotropic drugs interact with an individual's brain chemistry and circumstances, many people with mental illness may only respond to a certain drug and have serious side effects with others. Because of this new policy, physicians will not have immediate access to the full list of possible medications in order to prescribe the most appropriate one for each individual.
- **TDMHMR was appropriated \$58.5 million less than they requested to maintain current levels of community mental health services.**
- **Narrowing the priority population eligible to receive public mental health treatment** to those with Schizophrenia, Bipolar, 'clinically severe depression' and children with 'serious emotional illnesses'.

Conclusion

While this analysis used Austin area hospital and clinic data, the increased use of emergency rooms and clinics by people with mental health disorders is being felt across the state. As more budget cuts and policy changes are implemented during the course of the coming months, the predicted number of people who must resort to the expensive services of hospitals and clinics will increase and the costs will skyrocket. The Mental Health Association in Texas will be tracking this and other indicators in order to better understand the impact of these far-reaching policy changes.