**STATEMENT OF JAMES WALSH, PRESIDENT, NAMI ALABAMA**

**ON BEHALF OF THE**

**NATIONAL ALLIANCE ON MENTAL ILLNESS (NAMI)**

**CONGRESSIONAL STAFF BRIEFING:**

**IMPACT OF THE ECONOMIC CRISIS ON**

**AMERICA'S PUBLIC MENTAL HEALTH SAFETY NET**

**February 16, 2011**

NAMI, the National Alliance on Mental Illness, is grateful to Senator Stabenow and pleased to participate in this morning's briefing. As you know, NAMI is the nation's largest organization representing children and adults living with serious mental illness. NAMI takes very seriously the challenges facing the public mental health system in all 50 states. We welcome this opportunity to join with other advocates who understand that all across America today mental health care is at risk.

I speak to you as President of NAMI Alabama and a retired Lt. Colonel in the United States Army. As you have heard from others here today, our states face a triple threat of budget challenges: declining revenues, increased demand for safety net programs and especially deep cuts to programs that rely exclusively on state revenues such as mental health care not funded by Medicaid. Even as state economies begin to recover—and it cannot be soon enough—major state revenues will be late to return to pre-recession levels, and deficits will persist.

When it comes to investing in mental health care, prudence, wisdom and humaneness are hardly what's happening state-by-state. Instead, real cuts—not reductions in spending growth but real cuts—risk the real progress we have made in mental health care. At a time when the need is greater than ever and we know more surely than ever that treatment works, state budgets are cutting the lifeline of wellness and recovery for millions of Americans with mental illnesses.

My own state of Alabama is already feeling the pain. For 2011, our state is considering an additional 15% prorated cuts from our General Fund which would continue the reduction of the Department of Mental Health's General Fund Budget from $143.9 million in FY 2008 down to $98 million this year. A reduction of this magnitude will result in as many as 20,000 individuals with severe mental

illness losing access to community-based services. Based upon these projections, CMHCs across Alabama could face the loss of 1,700 personnel.

As you heard from Mr. Martone across the nation these cuts reducing frontline clinical staff, restricting eligibility for services, closing facilities and crippling county and municipal programs as well as services contracted to non-profit providers. These programs and services are very often last resort for under-insured and uninsured children and adults living with schizophrenia, bipolar disorder and major depression. For many, particularly adults with the most severe symptoms, there is nowhere else to turn. All this is compounded by high levels of unemployment and lost health care benefits as well as the men and women returning to our communities from extended combat tours—especially those in the National Guard—with very high incidence of serious depression, PTSD and family dissolution. Not to mention 194,000 homeless veterans already.

The clear and unequivocal experience of NAMI organizations across the country is that cuts in mental health care funding are not savings at all. When investments in treatment, support and recovery are slashed, the costs to society and to government do not go away. Instead, the costs just get passed along far more expensively in terms of public spending and far less successfully in terms public health. Without access to community-based treatment and support, we end up paying much more for secondary medical symptoms, homelessness, addiction, broken families, extended hospital emergency admissions, nursing home beds, jails and prisons.

At NAMI we refer to this as "spending money in all the wrong places" as the burden of untreated mental illness is shifted and hidden but no less at taxpayer expense.

For many people living with serious mental illness, treatment adherence is always a challenge. This is made all the more difficult when core services such as medication management, intensive case management, acute inpatient care and outpatient therapy are severely cut. Untreated serious mental illnesses are all too typically accompanied by co-occurring substance abuse, loss of stable housing, loss of employment and family discord. As a result, homelessness, addiction and criminal behavior increase. Publicly funded emergency medical services, especially inappropriate but long and costly hospital stays, increase as a first resort when other care disappears.

Here are just a few examples of the cuts we are witnessing at the state level:

- **Ohio** has cut $191.3 million from its state mental health budget between 2008 and 2010, a 36.2% reduction in spending. As a consequence, thousands of youth and adults with serious mental illnesses are unable to access care in the community and are ending up either on the streets or in far more expensive settings, such as hospitals or jails.

- In **Rhode Island**, mental health spending was reduced by 34% between 2007 and 2009 (from $82.1 million to $54.5 million). During this same period, Rhode Island experienced a 65% increase in the number of children with mental illnesses boarding in public hospital emergency rooms, with no place to go for treatment.

- **Kansas** has cut $20 million in state mental health funding since 2008. As a consequence of these cuts, 9 of Kansas' 27 CMHCs are experiencing deficits and are in jeopardy of being closed. Most of these CMHCs serve rural areas of the state. This year, the Governor's budget proposes an additional $15.2 million in cuts, which would primarily impact services for uninsured children and adults with serious mental illnesses.

- In **Tennessee**, $15 million in cuts have been proposed for this year. If implemented, these cuts will result in the closure of community mental health programs, alcohol and drug abuse treatment facilities, and peer support centers. At a recent legislative hearing, Tennessee's Commissioner of Mental Health decried these proposed cuts. "This is no way to run a train. We just keep cutting little pieces of the fingers off. Pretty soon, the hands won't work."

- The budget recently introduced by **Texas** legislators proposes a decrease of about 20% in funding to outpatient mental health services for children and adults.

- In **Nevada**, a state near the bottom in per capita spending on mental health, a 12.4% reduction has been proposed for mental health funding in the state budget. If implemented, this would reduce the number of youth and adults receiving outpatient mental health services to 2,765 from 4,075. Clark County (Las Vegas) District Judge Jackie Glass, whose Mental Health Court would lose all funding, as would the Mental Health Court in Washoe County (Reno), told legislators that rather than save costs, cuts of this magnitude will lead to increased costs. "You are either going to pay less now, or more later", Judge Glass stated. "You will see … people (who lose mental health services) ending up in prison, jails, emergency room, homeless, harassing tourists and breaking into homes."

- **Illinois** has endured 3 years of devastating cuts to mental health funding, on top of already inadequate funding that has decimated community mental health services, particularly in the rural southern part of the state. "Imagine a small rural community where there are people with schizophrenia left untreated," said Christopher R. Larrison, Professor of Social Work. "If you dry up the services, then the hospital emergency rooms and police, who are also at the breaking point, will have to deal with an increasing number of people suffering from untreated mental illness."

- In October, 2010, the Governor of **Washington** announced across the board cuts of $17.7 million in state mental health funding for 2011 and 2012. These cuts will reduce the availability of crisis and involuntary commitment services as well as outpatient and medication monitoring services. The cuts will also force additional closures or downsizing on inpatient psychiatric treatment facilities.

What can Congress do to help? The federal government can and should play an important role in partnering with states to address this crisis in two major ways:

- First, protect funding for the federal Mental Health Block Grant above the level of $420 million at which it has been frozen without even an inflationary increase since FY 2000. The Block Grant is a critical source of strategic funding for state, county and local public mental health systems in meeting the need for treatment and support among those who are uninsured or indigent. The Block Grant is also one of the few sources of public funding where people with mental illness and their families play a major role in directing resources to key priorities through state Mental Health Planning Councils.

- Ensure adequate investment in interventions such as supportive housing through HUD programs such as Section 811, McKinney-Vento and the VASH program for veterans. Failure to adequately fund these programs in 2011 and 2012 will result in formerly homeless individuals with mental illness returning to the streets with an enormous fiscal burden imposed on communities through higher costs for emergency medical treatment, law enforcement and corrections.

The face of mental illness in America is not the face of a stranger. It's our co-workers and friends, our neighbors and families and sometimes ourselves. SAMHSA tells us that 10.6 million American adults already report unmet needs for mental health care. How many more will it be each day that the pattern of budget crisis and disinvestment continues to roll through the states?

Thank you for the opportunity to share NAMI's concerns—the concerns of millions of Americans with mental illness and their families, Americans in every state and every congressional district across this land.