

## Road Map to Mental Health Reform in Illinois

### 1. Early Intervention: First Episode Treatment of Psychosis

Illinois should cover First Episode Treatment of Psychosis through Medicaid and partner with commercial insurance for youth with private insurance coverage. Based on the National Institute of Mental Health's research study that began in 2007, First Episode Treatment can prevent progression of serious mental illnesses (SMIs), like schizophrenia or bi-polar disorder, in adolescents and young adults, reduce hospitalizations, and reduce healthcare costs. Half of all states are implementing First Episode Treatment.<sup>i</sup>

### 2. Building Capacity in the Community Mental Health Sector to Address Need

Despite the Affordable Care Act, there is insufficient provider capacity to meet the needs of those with mental health conditions in Illinois due to below-cost reimbursement rates and antiquated rules. A targeted Medicaid rate increase coupled with rule reform is essential to build treatment capacity. Existing rates that do not cover cost *prevent* providers from growing to meet the need. The existing rule prevents providers from being innovative, efficient and outcomes-driven, *despite managed care*.

### 3. Enabling Affordable Housing through Rental Subsidies for Medicaid Super-Utilizers with SMI

Targeting rental subsidies for high-expenditure Medicaid enrollees with SMI who are homeless or unstably housed will result in a *net reduction in Medicaid costs*. For most Medicaid enrollees with SMI, their sole source of income is Supplemental Security Income (SSI), which is just \$733/month, causing them to spend 70-80% of their income towards rent. Many lose their housing as a result. 57% of the most expensive 5% of Medicaid enrollees in Illinois have a mental health condition and are so costly because they lack access to treatment and affordable housing.

### 4. Connecting the Correctional Population with SMI to Treatment, Housing and Income Support Immediately Upon Release to Prevent Recidivism

- a. **Medicaid Coverage through Medicaid Administrative Claiming and a Waiver.** Requiring Medicaid Administrative Claiming and a Medicaid Waiver to allow treatment providers to connect with the inmate *prior to release* to arrange for immediate connection to services upon release, begin the SSI application process, and identify affordable housing would significantly reduce the recidivism rate.
- b. **Mental Health Parole.** Modeled after successful mental health probation programs, parole officers would be trained in mental health to better understand the SMI and have stronger connections to treatment and affordable housing resources to prevent recidivism.

### 5. Medicaid Coverage of Psychologists to Help Address the Mental Health Workforce Shortage

### 6. Text Hotline for Young People in Crisis to Bring Illinois into the Technology Era

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<sup>i</sup> AZ, CA, CO, CT, FL, GA, IA, KS, LA, MA, MD, MI, MN, MO, NC, NE, NH, NJ, NM, NY, OH, OR, PA, RI, VT