

Protecting People Over Profit

Public Management of Michigan's Behavioral Health System



On February 28, 2025 the Michigan Department of Health and Human Services (MDHHS) announced that they are seeking public input through an online survey as the department moves to a competitive procurement process for the state's Pre-Paid Inpatient Health Plan (PIHP) contracts. **Our concern is that such bid-out plans, in the past, have opened the door to the privatization of Michigan's public mental health system.**

Unmandated Competitive Procurement: A Risky Proposal That Adds Chaos to Care



Potential funding cuts on the horizon



Disrupts care and creates confusion for those relying on critical services



Procurement process is NOT being driven by Federal rules or requirements

Rather Than a Chaotic Competitive Procurement Process, Take Real Steps to Collectively Solving Core Issues

HOW BEST TO IMPROVE ACCESS TO CARE & SERVICES FOR PEOPLE IN NEED

Sufficient Funding



Ensure & Enhance Local Voice



Reduce Administrative Overhead



Increase Workforce & Network Capacity

• Sufficient Funding

Funding for the core mental health and I/DD services has remained FLAT over the past 5 fiscal years (including \$0 general fund increase) while medical inflation has increased by over 10%* and Medicaid expenses have increased by nearly 25%. **Inadequate funding leads to shortages in available services, long wait times, and a lack of quality mental health providers.**

• Ensure & Enhance Local Voice

Only a publicly managed system protects local input. **Privatization removes people's power, shifting care decisions to out-of-state boards with no direct ties to Michigan communities.**

• Reduce Administrative Overhead

Collectively PIHPs have a MLR (Medical Loss Ratio) of 96.3%. The **ONLY** way to reduce layers and ensure more money goes directly into services is by reducing administrative overhead, which has dramatically increased over the past 5 years. **More bureaucracy means longer wait times, more hoops to jump through, and fewer resources for essential care.**

• Increase Workforce & Network Capacity

3/4 of Michigan's public mental health organizations are experiencing workforce gaps despite salary increases or retention bonuses. Top reasons people leave the public mental health field: (1) too much paperwork / administrative hoops to jump through, and (2) better pay and work life balance. **A shortage of mental health workers means longer wait times, fewer available services—leaving Michigan's most vulnerable without the support they need.**

*According to the U.S. Bureau of Labor Statistics