

February 15, 2007

Appropriations Committee Remarks:

In today's presentation I will be providing you with information in a quick and summary manner, about the overall picture of county, state and federal funding in the MHDS area.

At the present time there is tremendous interest in the method of allocating funding to counties, as there exists the potential for some dire consequences if the allocation system is not corrected. There is great concern that the current levy "cap" on counties associated with MHDS services will adversely affect individual consumers, families, providers, counties, agencies, and others. I share the concerns expressed and hope that in the near future we can create a system that is as fair and equitable as possible without displacing or harming consumers and families.

The current allocation system is one of the most complicated I've seen. Without going into a historical description of this allocation system it is just simply too complicated for most accountants even to understand. Simplification would be helpful.

Many "county states" struggle with creating a fair and equitable system for counties and Iowa has tried to do so over the last decade. However, we are currently at a crossroads, so to speak, with the current method of allocating funding for MHDS services, as the current approach is not fair and equitable. You will hear from others that echo that conclusion.

Of interest to all of us should be, from a public policy perspective with regards to the state MHDS "system", is that in the rush to solve the allocation problem that we don't end up "throwing the baby out with the bathwater" or creating a temporary "band aid" solution. Careful thought has to be given to what we do now as we also don't want to have to repeat the present tensions that exist between counties, the state, providers, mental health centers and other parts of the system.

Also there are a number of components of the MHDS system that are going in the right direction.

1. It is important to look at the larger picture of total funding to the MHDS system as one that has gone through transformation over the last 5 to 10 years. The data I will

present to you will show how that transformation is reflected in a number of areas. This is good.

2. The transformation has been a “rebalancing” process where more funding is being allocated to community-based services.
3. While there has been growth in county expenditures the largest growth area has been in the use of federal dollars to transform and rebalance the system.
4. Compared to other states, Iowa’s MHDS system is doing very well in some areas and not so well in others...this is part of the continuing process of transformation.
5. The issue of equity in allocation should not be separated from the issue of how funding is to be spent, how “management controls” should be used, and how we should use what we know about MHDS services to provide services that are effective and lead to positive change.

Let me give you some examples and information on these key points.

Iowa is a state filled with people who are deeply concerned about doing the right thing for citizens who may not always have the loudest voice to speak for themselves. Thank you for the opportunity to provide you with some of the information that we have been looking at and give you an update on the direction of MHDS services.

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