

September 2004

**National Association of State Mental Health Program Directors**

**POSITION STATEMENT ON A FRAMEWORK FOR  
COMPREHENSIVE STATE MENTAL HEALTH SYSTEMS**

On April 29, 2002, the President issued an Executive Order establishing the New Freedom Commission on Mental Health and directed it “to conduct a comprehensive study of the United States mental health service delivery system . . . and to advise the President on methods of improving the system.” In its final report released in July 2003, the Commission described a system in disarray, in which the services and supports that should be available to people with mental illness and their families are fragmented and frequently inaccessible. The report called for “transforming the existing, often intimidating maze of mental health services into a coordinated, consumer-centered, recovery-oriented mental health system.”

Though disappointed that the New Freedom Commission refrained from highlighting the enormous funding needs in the mental health system, the National Association of State Mental Health Program Directors (NASMHPD) concurs with the overall assessment of the Commission and supports the goals and recommendations it identified. Of particular importance to NASMHPD is the Commission’s Recommendation 2.4: that “each State, Territory, and the District of Columbia develop a Comprehensive State Mental Health Plan.” Within the framework described below, NASMHPD firmly embraces this objective.

**Values and Principles Essential To a Comprehensive State Mental Health System**

NASMHPD believes the Commission’s focus on creating “Comprehensive State Mental Health *Plans*” is a first step toward the ultimate goal of creating “Comprehensive State Mental *Systems*.” Although states must plan more broadly, transforming mental health care requires implementing the plan and coordinating and integrating relevant services and supports. Only such deep and broad action will create what will be from the perspective of the consumer and family a single effective, transparent, and navigable system.

Although comprehensive state mental health systems will vary significantly from state to state according to their unique characteristics, all systems should be rooted in shared values. They should:

- Provide convenient access to a comprehensive array of consumer- and family-centered services and supports in the least restrictive community-based settings appropriate for the consumer.

- Recognize and promote recovery and resiliency as expected outcomes for all consumers.
- Promote policies and practices that achieve for consumers the earliest possible detection of mental health problems and early intervention.
- Ensure that all health care programs address mental health with the same urgency as physical health and that the policies of all programs that serve adults and children with mental disorders – e.g., child welfare, Medicaid, education, housing, criminal and juvenile justice, substance abuse treatment, and employment services – consider their specialized mental health needs.
- Emphasize efficiency, effectiveness, and performance improvement; base resource allocation and planning on well-measured outcomes; minimize administrative costs; and promote evidence-based and promising practices.

Building on this foundation, successful comprehensive state systems will share several common characteristics.

First, developing an effective system must begin with the recognition that most of the resources that fund services for people with mental health needs come from federal and state programs outside the jurisdiction of the state mental health authority (SMHA). In most cases, these programs are not designed as “mental health programs” at all. Therefore, fundamental to planning the system will be establishing relationships and coordinating policy development and implementation activities among the applicable state agencies.

States devising comprehensive state systems must strive to involve all agencies that deliver, fund, or administer services and supports used or needed by people with a mental illness and/or their families. Many factors, however, will determine a state’s planning process, such as the state’s fiscal health, organizational structure, political structure (e.g., the role of local government in financing and managing mental health services), and the status of its policy agenda and priorities. Thus, states will plan and implement their comprehensive state systems at their own pace and in a manner that fits their unique circumstances.

Second, states will need to ensure that other stakeholders play an active role in the process. This is most important with respect to the people the system is designed to serve. Consumers (including youth as well as adults) and family members and their advocacy organizations must be involved in all levels of the decision-making process, including the development, management, and oversight of the comprehensive system. In addition, in states where tribes, counties and local governments are responsible for the direct delivery and management of mental health care delivery, their representatives will need to be actively engaged in the planning process. Other important sectors include private providers and payors.

Third, a state's success in transforming its mental health system will be significantly affected by the role the governor plays in the process. The Final Report of the New Freedom Commission states that "the Office of the Governor should coordinate each [comprehensive state mental health] plan." NASMHPD agrees that it will be critical to have the support of the chief executive officer. The governor has the unique authority to convene the relevant state agency heads and hold them accountable for their performance. States that have begun the comprehensive system planning process know the value of having the governor's attention and participation. However, there will be wide variation in the role each governor chooses to play and is capable of playing in creating and overseeing the comprehensive system.

Fourth, regardless of the role played by the governor in each state, the critical role of the SMHA as a lead adviser to the governor regarding mental health policymaking must be firmly established and preserved. While many agencies are critical to the development of comprehensive state mental health systems, only SMHAs have as their core mission the delivery of effective services to people with mental disorders. Further, SMHAs have the experience and expertise to develop comprehensive state plans, identify barriers and strategies to overcome them, measure and evaluate performance and outcomes, and implement comprehensive state mental health plans that respond to consumer and family needs and preferences. Moreover, given the fragmented nature of mental health care delivery and the fact that responsibility and accountability for the care of children and adults with mental illness is becoming increasingly diffuse, it is more important than ever that the role of the SMHA be secured and that focused leadership be maintained.

### **Role of the Federal Government**

As the New Freedom Commission concluded, "local innovations under the mantle of national leadership can lead the way for successful transformation throughout the country." NASMHPD is pleased that the Commission recognized throughout the final report and culminating with this statement that meaningful and sustainable transformation at the state level will require such transformation at the federal level. To support the states' commitment to fundamental system change, NASMHPD urges robust action by the federal government.

First, the New Freedom Commission, which came on the heels of the 1999 Surgeon General's Report on Mental Health and the scientific advances of the 1990s, created a unique opportunity to establish mental health as a national public health priority. To ensure that this occurs, NASMHPD urges the President and other leaders in the Executive and Legislative branches of the federal government to endorse the New Freedom Commission's final report and bring greater attention at the national level to the serious challenges the New Freedom Commission put before the country.

Second, consistent with the efforts being made by the states, the federal government must take demonstrable steps toward creating a comprehensive federal mental health system. To begin this process and to support the significant efforts by the Substance Abuse and Mental Health Services Administration (SAMHSA) to implement the New Freedom

Commission's recommendations, all agencies represented on the Commission (i.e., the Departments of Education, Labor, Housing and Urban Development, Health and Human Services, and Veterans Affairs), as well as others that were not, such as the Social Security Administration and the Department of Justice, should participate in an interagency mental health system transformation process. To accomplish this, the President should establish a Presidential Interagency Task Force that includes high-level representatives from all relevant federal agencies, including the Executive Office of the President.

Among other things, the Task Force should: (1) ensure that all relevant federal programs address the particular needs of mental health consumers and family members; (2) coordinate the activities of the participating agencies with one another on mental health policy and hold those agencies accountable for their goals and outcomes; and (3) implement the Commission's Recommendation 2.3, that federal programs be aligned to improve access and accountability, by establishing mechanisms – under existing authorities or through legislation if needed – that, without undermining accountability and oversight, would make the funding streams of those programs more flexible in order to overcome barriers states will face in creating, financing, and managing their comprehensive systems.

Third, in addition to reducing fragmentation by coordinating and aligning funding streams across multiple federal agencies, the individual agencies themselves should assess whether the programs they administer facilitate states efforts to implement comprehensive mental health systems. This is particularly important in the case of SAMHSA, which administers dozens of grants that support mental health programs. Though essential, these grants frequently contain goals, eligibility criteria, and planning, application, and reporting requirements that conflict and serve to undermine the type of coordination needed to develop and run a comprehensive state system.

We applaud SAMHSA for creating its matrix of agency priorities, a useful tool that ensures that the agency's policy agenda moves in a direction consistent with its vision and principles. "Mental Health System Transformation" is one of SAMHSA's priorities highlighted on the matrix, and SAMHSA officials have repeatedly identified the states as the "center of gravity" in achieving the transformation objective. Therefore, SAMHSA and its Center for Mental Health Services (CMHS) should make certain that its programs are managed and coordinated in a manner designed to support the mental health system transformation objective. NASMHPD commits to working with SAMHSA to improve the process such that all applicable grant programs facilitate, support, and sustain states' comprehensive state mental health systems.

This principle should also apply to grants for which non-state entities are eligible. In such cases, the non-state applicant should be required to consult with the state and to demonstrate to both SAMHSA and the state how the funds would support the state's comprehensive mental health system.

Fourth, Congress should fully fund at \$44 million the Administration's FY 2005 proposed "Mental Health State Incentive Grants for Transformation Program" (T-SIG). This program, which will be administered by the Substance Abuse and Mental Health Services Administration (SAMHSA), is specifically designed to help states create comprehensive state mental health systems. States that have already taken on the challenge of reorganizing their mental health systems as contemplated by the President's Commission have learned that the costs associated with these activities – such as, convening meetings with stakeholders, travel, reconfiguring and modernizing information systems, and increased demands on staff – have proven to be among the most significant barriers they face. The T-SIG would help to overcome this hurdle and give states the capacity needed to begin the arduous planning and implementation process.

In establishing the new T-SIG program, we urge SAMHSA to consider the following recommendations:

- The T-SIG should provide multi-year awards and should be funded until all states have had an opportunity to participate and at levels sufficient to support their efforts to create comprehensive systems.
- The T-SIG should include at least two tiers of grants: larger grants for those states that have demonstrated a statewide commitment to the objective of creating a comprehensive system, and smaller "planning" grants for the balance of states to support their initial steps.
- Although SAMHSA will attach certain conditions to T-SIG grantees, such as requiring consultation with stakeholders and demonstrating outcomes, the program should give states sufficient flexibility in developing their comprehensive systems, recognizing that states have different priorities, face unique organizational, political, and fiscal obstacles, and are beginning their planning at different points. In short, the challenge does not call for a uniform solution, and the T-SIG should permit, if not encourage, varied and innovative approaches.
- The T-SIG should be structured in a manner that avoids confusion with the Mental Health Block Grant application process and promotes consistency, efficiency, and coordination between the two programs. Presumably, the T-SIG, like the Block Grant, will require each state to submit an application that will need to address all facets of their mental health system and their planning process. Given that an objective of both programs is to promote the development of comprehensive mental health systems, these programs should be managed in a coordinated manner and reflect and promote a unified planning, implementation, and evaluation process within SAMHSA. For example, states aiming to participate in the Block Grant and T-SIG programs – assuming all other statutory requirements are met (e.g., reporting, offsets) – should be permitted to submit a single application and a single plan that would satisfy the requirements of both.