



June 8, 2010

Dear Community Member,

"I ask not for a lighter burden, but for broader shoulders." - Jewish proverb

At the beginning of April, I wrote about the FY11 budget cuts passed by the Arizona Legislature that will impact more than 8,000 adults experiencing a serious mental illness (SMI) and more than 2,000 children with mental health challenges who do not qualify for Medicaid, and how the resulting service reduction for these individuals will require us to come together as a community and think creatively about how to support them. Between then and now, I'm pleased to say that an incredible amount of work has been done to safely and responsibly transition every impacted person.

On July 1, 2010, the reduced service package for non-Medicaid adults with a serious mental illness will go into effect, which will include only generic medication; medication-related services such as seeing a prescribing physician, nursing visits, and lab tests; crisis services; and interpretation and sign language services, if needed. Magellan has undertaken an intensive effort along with our partners at the provider network organizations (PNOs) to transition every impacted person through a high-touch, high-relationship, individualized process. To date, 79 percent of all impacted individuals have had a face-to-face visit with their clinical team to begin discussions around their benefit reduction. The clinical teams are actively working with each impacted individual to develop a self-directed plan that augments their new service package with meaningful community supports, as available. Magellan has dedicated 12 full-time staff members who are reviewing the transition for each and every impacted person to make sure all available options are explored and every aspect of the transition happens in a safe and responsible manner. As part of our efforts, we also enrolled 994 previously-impacted individuals in the Arizona Health Care Cost Containment System (AHCCCS), Arizona's Medicaid program, meaning their services will not change on July 1.

Magellan has identified that 32 percent of the more than 8,000 impacted people currently receive a brand name medication that will no longer be covered after July 1. Medication changes can be a very challenging process, and the behavioral health system's doctors and nurses are working to develop safe transition plans with each person. Some will be moved to generic alternatives from their brand name medication. For others, generics have proven ineffective or there is no generic version of their medication, so Magellan and the PNOs have been working with these individuals to explore pharmacy assistance programs that can provide brand name medication at reduced or no cost or other alternatives, such as receiving their medication from Medicare or private insurance. Of the total impacted population, Magellan has found that four percent have private insurance and 34 percent have Medicare/Part D.

While Magellan's official change of benefit notification letters were mailed to all impacted individuals at the end of May, our outreach efforts have extended beyond simple notification and included interactions at multiple levels. To discuss the upcoming changes, senior staff members from Magellan, the PNOs and the Division of Behavioral Health Services hosted town hall meetings at each of the county's 25 clinics in April and three of the largest peer-run organizations in early May. Magellan is also currently hosting a series of five regional resource fairs designed to augment the individual transition process and allow impacted individuals to meet directly with

meaningful community resources in their area. Magellan has also been reaching out to a variety of community stakeholders, including the criminal justice system, the Veteran's Administration (VA), hospitals, churches and others, to make sure impacted organizations are aware of the upcoming changes and how those changes will impact our community. A complete schedule of resource fairs, as well as copies of the change of benefit notification letters and the latest information on the service change, can be found at www.MagellanofAZ.com/NTTtransition.

For the more than 2,000 children who don't qualify for Medicaid, the Arizona Legislature has eliminated all funding for their services effective July 1. Since March, Magellan and our provider partners have been meeting with families, working diligently to enroll qualified children in Medicaid, and helping to develop transition plans for children who will no longer have services through Magellan. These transition plans include relying more heavily on pediatricians or on meaningful community supports, as available. To date, approximately 500 previously-impacted children have either been enrolled in Medicaid or designated to receiving funding through the state's Substance Abuse Prevention and Treatment grant, meaning their services will remain unchanged.

Despite our best efforts, these funding cuts represent a huge hardship on individuals and their families challenged with mental illness and substance abuse. Some have relied on the behavioral health system's support for years or even decades. While many community resources exist, they will not be able to meet the need created by the services lost due to state funding cuts. We're grateful that Arizona Proposition 100 passed, preventing more cuts to funding, and ultimately services, but even with its passing, funding levels in the behavioral health system are not adequate to meet the needs of our community.

Unfortunately, many of the individuals losing services will likely now seek uncompensated treatment in emergency departments, driving up healthcare costs for everyone, and creating even longer wait times for all of us who need emergency assistance. Others may revolve in and out of the criminal justice system, ultimately costing the taxpayers more in law enforcement and legal costs—more than it would have cost to adequately fund their behavioral healthcare needs.

As we continue to approach July 1, Magellan and our provider partners are keenly aware of the impact the service changes will have on people's lives. We must continue our collaboration and focus, and push forward to make certain that we have done everything possible to safely transition those impacted and allow them hold on to their hard-fought gains toward recovery.

Sincerely,



Richard Clarke, Ph.D.
Chief Executive Officer
Magellan of Arizona