

Lifespring to cut 50 jobs

Written by George Browning

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Lifespring, the community mental health center serving Clark, Floyd, Jefferson, Washington, Scott, and Harrison counties, regrets to announce that due to a significant decrease in projected revenues for next fiscal year, it will be abolishing approximately 50 staff positions.

In response to a new state funding paradigm, LifeSpring will also be modifying several clinical programs. Approximately 24 residential treatment beds for men and women with co-occurring mental health and substance abuse disorders will be phased out this coming year.

The reduction in revenues is related to two major changes:

1. The state of Indiana has made changes to the Medicaid Rehabilitation Option (MRO) program effective July 1, 2010. LifeSpring receives approximately \$6,000,000 in net MRO revenues annually. These changes will reduce our MRO revenue by 2 to 3 million dollars. MRO is our single major source of funding. The state's changes to this program will: a. Limit the number of clients eligible for services; b. Limit the amount of services we can provide to each client; c. Require special prior authorizations for additional services; d. Eliminate some services (such as partial hospitalization, the ACT team's daily meeting, etc.); e. Significantly lower payment rates for many MRO services; f. Increase staff qualifications required to bill for MRO services.

2. Also the state of Indiana has seized the Federal Medicaid Assistance Program funding, that LifeSpring had been receiving, and will use it to balance the state budget by spending it in other areas. This means a reduction of approximately \$750,000 for LifeSpring this year and over \$900,000 next year.

Considering these two factors, Lifespring is projecting a 20 to 25 percent reduction in funding next year. These are permanent cuts with no plans to restore lost funding.

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The Indiana Council for Community Mental Health Centers, fought to delay these changes that will impair our ability to serve our clients until alternative funding could be identified. However, in the last legislative session, the Council was unsuccessful in convincing a majority of state legislators to delay these changes. The federal government is also reviewing this situation, but has not indicated that it will intervene.

LifeSpring expects a decrease in the number of clients served annually and increases in some wait times for appointments and residential placements. Even with dwindling resources, Lifespring will continue to try to mitigate the situation and do everything possible to make sure our clients continue to receive the highest quality of treatment possible.