



**STATE OF TENNESSEE**  
**DEPARTMENT OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES**

5th FLOOR, ANDREW JACKSON BUILDING  
500 DEADERICK STREET  
NASHVILLE, TENNESSEE 37243

**BILL LEE**  
GOVERNOR

**MARIE WILLIAMS**  
COMMISSIONER

January 14, 2025

The Honorable Bill Lee, Governor  
State Capitol  
Nashville, Tennessee 37243

Dear Governor Lee:

This letter serves as the annual report as required by TCA § 9-4-5404 pertaining to the Federal Block Grants under the purview of the Federal Block Grant Act of 1994. The time period covered by this letter extends from July 1, 2023 to June 30, 2024. The Tennessee Department of Mental Health and Substance Abuse Services (TDMHSAS) received two Block Grants administered through the Substance Abuse and Mental Health Services Administration (SAMHSA), as follows: the Substance Use Prevention, Treatment, and Recovery Services Block Grant (approximately \$35M) and the Mental Health Services Block Grant (approximately \$20M).

- The Substance Use Prevention, Treatment, and Recovery Services Block Grant dollars provide prevention, treatment, and recovery support services and activities for people who are at-risk of or who have a substance use problem. Individuals who are eligible have no financial means of obtaining services; are not enrolled in Tennessee's Medicaid program, TennCare; do not have any other third-party health benefits payor source; have depleted their TennCare or other third-party alcohol and drug abuse treatment benefits limit; or meet the one hundred thirty-eight percent federal poverty guidelines as set by the United States Department of Health and Human Services.
- The Mental Health Block Grant dollars provide support for individuals diagnosed with serious mental illness and children diagnosed with serious emotional disturbance. It is designed to pay for mental health services not covered by insurance and other third-party payors. For the majority of Mental Health Services Block Grant expenditures, services are ancillary and not the direct counseling and psychiatric care presently covered under TennCare and other third-party payors.

The United States Congress, the President, and SAMHSA established allocations and priority service areas for the expenditure of federal Block Grant funding. A plan for Block Grant spending is submitted every two years by TDMHSAS and reports are submitted annually to SAMHSA regarding the utilization of Block Grant dollars from the prior fiscal year.

TDMHSAS administers a Statewide and Regional Council system that acts in an advisory and advocacy capacity to the Commissioner and the Governor and conducts an annual needs assessment (by region for each of the seven planning regions) pertaining to the mental health and substance abuse service

delivery system in Tennessee. Needs are then prioritized, approved by the Statewide Council, and submitted to the Commissioner and TDMHSAS staff.

Following the completion of the needs assessment, TDMHSAS develops the Three-Year Plan and conducts Block Grant planning and contracting, based on need, the Customer Focused Government Goals for the year, existing programming, and funding availability.

As required by TCA § 9-4-5403, the following principles for the time period aforementioned have received the attention of TDMHSAS staff and leadership:

1. Minimizing harmful impacts on current programs, current and potential recipients of assistance, local governments, nonprofit agencies, and the state economy.

There was an increase in the Mental Health Block Grant funding of approximately \$27,000 in FY24 and a decrease in the Substance Use Prevention, Treatment, and Recovery Services Block Grant funding of approximately \$7,000 in FY24. Mitigation of harmful impacts to current programs was unnecessary for FY 2024.

2. Ensuring formal and informal participation of concerned citizens, regulated industry or other entities, environmental groups, religious organizations, nonprofit agencies and service providers and their clients/consumers and board members and local government officials in proposed reorganizations and new priority decisions, so that their experience may be used creatively by state decision makers.

The Statewide and Regional Council system is comprised of service recipients and family members of recipients, providers, advocates and interested persons. Federal law also mandates a number of related-agency staff members who are appointed to the Statewide Council by virtue of the office held. The Regional Councils provide information to the Statewide Council for deliberation and consideration. There is also input from non-members who regularly attend meetings from organizations serving consumers, substance abuse providers, mental health providers and organizations, and managed care organizations. All Plans and Reports submitted to the Governor, State Legislature and federal government are reviewed, edited, and endorsed by the Council.

3. Providing the above-reference groups and categories of citizens with full and prompt access to information on new policy and funding and program organization related to block grant and federal devolution of authority.

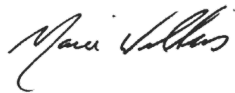
Information is provided to Council members during the Statewide and Regional Council meetings. Additionally, a monthly Executive Staff Report, which includes information on TDMHSAS activities and projects is sent out to the membership of the Statewide and Regional Councils. Furthermore, membership of the Statewide and Regional Councils has access to data resources on the TDMHSAS website and a Department Update is provided at each quarterly meeting of the Regional Councils.

Programs funded by Block Grant dollars are routinely reviewed and carefully managed. They include: programming for children's services; early intervention and prevention services for mental health and substance use programs; evidence-based early intervention and prevention services for substance

use programs; clinical treatment services ranging from outpatient to detox for substance use; prevention network services; community anti-drug coalitions; evidence-based early intervention programming for young people experiencing a first episode of psychosis; peer-to-peer services; tobacco access reduction enforcement; suicide prevention; screening for youth who are involved in the criminal justice system; adolescent outpatient services; support for older adults; recovery housing; substance use services via tele-treatment; support for individuals transitioning out of or into different living situations; support for higher education initiatives; support for recovery courts; integrated co-occurring court program services; women's recovery services and in-home services for at-risk pregnant and post-partum women; and workforce development.

Please do not hesitate to contact me if you have any questions at 615-532-6503.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Marie Williams", with a stylized, cursive script.

Marie Williams, LCSW  
Commissioner

cc: Senator Bo Watson, Chair, Senate Finance, Ways, and Means Committee  
Senator Rusty Crowe, Chair, Senate Health and Welfare Committee  
Senator Steve Southerland, Chair, Senate Energy, Agriculture and Natural Resources Committee  
Representative Charlie Baum, Vice-Chair, House Finance, Ways and Means Committee  
Representative Bryan Terry, Chair, House Health Committee  
Representative Chris Todd, Chair, House Agriculture and Natural Resources Committee  
Catherine Haire, Senate Budget Analysis Director, Office of Legislative Budget Analysis  
Jessica Himes, House Budget Analysis Director, Office of Legislative Budget Analysis  
Kurt Hippel, TDMHSAS Assistant Commissioner, Planning, Policy, and Legislation  
Avis Easley, TDMHSAS Director of Planning  
Krysten Velloff, TDMHSAS Director of Legislation and Rules