NATIONAL COUNCIL FOR BEHAVIORAL HEALTH

STRENGTHENING MEDICAID AND OTHER HEALTH COVERAGE FOR PEOPLE WITH MENTAL ILLNESS OR ADDICTION

In 2017, Congress debated several bills that would have had a devastating impact on people living with mental illness or addiction by ending the Medicaid expansion, capping federal Medicaid spending and repealing key consumer protections that have allowed these vulnerable populations to access care. As lawmakers consider their next steps on health care legislation in the 115th Congress, our organizations urge support for the following priorities.

WHY IS MEDICAID IMPORTANT FOR BEHAVIORAL HEALTH CONSUMERS AND PROVIDERS?

Medicaid is a vital source of care for people living with mental illness or addiction. In 2014, spending by Medicaid accounted for 25 percent of all mental health spending in the U.S. and 21 percent of all substance use disorder expenditures in the nation.

Medicaid is an opioid addiction treatment program. As drug overdoses have overtaken auto accidents as the leading cause of preventable death in the U.S., states and Congress have worked to increase the availability of medication-assisted treatment (e.g., methadone, buprenorphine and naltrexone), which is a highly effective method for treating opioid addiction. Many states with the highest opioid overdose death rates have used Medicaid to expand access to medication-assisted treatment; for example, in Kentucky, Maine, Pennsylvania, Ohio and West Virginia, Medicaid pays for between 35-50 percent of all buprenorphine, a common type of medication-assisted treatment. Medicaid also funds important support and recovery services such as peer recovery coaches and peer recovery specialists.

Preserve federal funding for Medicaid. This year, bills in both the House and Senate sought to convert the federal share of Medicaid into block grants or per capita caps designed to grow more slowly than actual Medicaid program growth. The result of these proposals, included in the American Health Care Act (AHCA), the Better Care Reconciliation Act (BCRA) and the recent Graham-Cassidy-Heller-Johnson bill was a massive cut to the amount of federal funding available in Medicaid, shifting hundreds of millions in costs to states and ripping care away from millions of individuals and families. These proposed models do not account for increasing health care costs, advances in medical treatment, potential epidemic or disease outbreaks and the growing number of elderly people on Medicaid, many of whom depend upon Medicaid as the primary funder of long-term nursing home care. The National Council and Hill Day partners strongly oppose any proposal to institute block grants or per capita caps in Medicaid.

To offset potential Medicaid cuts, some lawmakers have proposed grant funding for specific behavioral health conditions – opioid addiction, for example – as part of larger health care packages. While an important source of supplementary funding, grants are time-limited, available only in pockets throughout the country and are not a substitute for continuous health coverage. People with mental illness and addiction have other co-occurring physical health care needs and their conditions should not be treated in isolation. Unlike a condition-specific grant, Medicaid funds comprehensive health coverage for every enrollee when they need it.

Retain the Medicaid expansion and allow non-expansion states the option to expand. Individuals with mental illness or addiction were among the largest beneficiaries of the Medicaid expansion. Approximately 29 percent of persons who receive health insurance coverage through the Medicaid expansion either have a mental disorder (e.g., schizophrenia, bipolar disorder, depression, anxiety) or a substance use

disorder (e.g., alcoholism, opioid addiction) or both. Prior to the expansion, there was no pathway to Medicaid coverage for most people with addiction because those with a primary addiction diagnosis cannot qualify for disability. We urge Congress to retain the Medicaid expansion option and its enhanced federal match rate into the future and ensure that future health care legislation provides a mechanism for states that have not yet expanded their Medicaid programs to do so.

Act swiftly to reauthorize CHIP. With funding for the Children's Health Insurance Program (CHIP) projected to run out in the first half of FY 2018, the National Council and Hill Day partners call on Congress to act swiftly to reauthorize and fund this successful, bipartisan program on which millions of families rely for access to health care. Additionally, any spending reductions designed to offset the cost of CHIP reauthorization should not come at the expense of cuts to Medicaid, such as converting the program to a per capita cap or block grant.

Preserve the Essential Health Benefits. Certain recent legislative proposals have called for repeal of the requirement that Essential Health Benefits (EHB) be provided in commercial health insurance and certain Medicaid plans. EHBs require health plans to cover mental health and addiction services and to do so at parity with physical health benefits. As a result of these requirements, an estimated 62 million Americans now have coverage that includes parity. The National Council and Hill Day partners oppose repealing the EHB and any proposal that would permit states to reduce the scope of these vital benefits.

Keep protections for individuals with pre-existing conditions. Health care legislation before Congress this year would have allowed states to opt out the prohibition against insurers charging individuals with pre-existing conditions. Without this protection, individuals with a mental health or substance use disorder would be at risk of being denied health care coverage or being priced out of coverage by expensive premiums. The National Council and Hill Day partners urge Members of Congress to keep their promises to maintain protections for individuals living with pre-existing conditions, while preserving incentives and supports for individuals to purchase insurance.

Expand access to care through telehealth. Across the country, behavioral health care providers are in short supply. Telehealth offers an opportunity to extend both mental health and addiction services to more patients, particularly those living in rural and frontier areas that lack qualified providers. Additionally, many services that could be effectively provided via telehealth are not eligible for reimbursement from insurance. The National Council and Hill Day Partners support legislative efforts to expand the use of telehealth and remove barriers to telehealth in Medicaid, Medicare and commercial insurance.

Expand the Excellence in Mental Health Act. The Excellence Act is a demonstration program increasing access to comprehensive mental health and substance use services via Certified Community Behavioral Health Clinics (CCBHCs). CCBHCs offer a comprehensive array of evidence-based practices, 24-hour crisis care and coordination with hospitals, primary care and other providers under a Medicaid payment rate that supports their actual costs of providing services. Unfortunately, program participation is currently limited to eight states over the course of two years. The National Council and Hill Day Partners urge members of Congress to expand the length of the demonstration and offer more states the opportunity to participate.

Modernize Medicaid rules prohibiting payment for certain types of residential treatment. The Institutes for Mental Disease (IMD) exclusion prohibits federal matching payments for services provided in facilities of 16 beds or more. This payment prohibition, enacted with the original Medicaid legislation in an era when federal payment policy typically excluded inpatient psychiatric care, has gained recent attention because of its impact on the availability of residential mental health and addiction care amid shifting trends in federal payment for behavioral health services and the need for increased access to residential addiction treatment in the midst of the current opioid crisis. Numerous bills have been introduced in the last several Congresses to modify or eliminate the IMD exclusion, many of which have been supported by the National Council and Hill Day partners. We urge Congress to return to this issue in 2017 and take action to remove barriers to treatment while ensuring support for the full continuum of care, including community-based (non-inpatient) services.