

Mental Health Liaison Group

March 2, 2017

The Honorable Paul Ryan
Speaker
U.S. House of Representatives
1233 Longworth House Office Building
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
317 Russell Senate Office Building
Washington, DC 20510

The Honorable Nancy Pelosi
House Minority Leader
U.S. House of Representatives
233 Cannon House Office Building
Washington, DC 20515

The Honorable Chuck Schumer
Senate Minority Leader
U.S. Senate
322 Hart Senate Office Building
Washington, DC 20510

Dear Speaker Ryan, Majority Leader McConnell, and Democratic Leaders Pelosi and Schumer:

The Mental Health Liaison Group (MHLG) wishes to express serious concern about recent proposals that would restructure the long-standing and fundamental federal-state financing partnership of the Medicaid program. Such efforts could adversely impact the 14 million vulnerable people living with mental or substance use disorders who depend heavily on Medicaid coverage.

The MHLG is a coalition of more than 60 national organizations representing consumers, family members, mental health and substance use treatment providers, advocates, payers, and other stakeholders committed to strengthening Americans' access to mental health and substance use services and programs. We urge you to continue to protect vulnerable Americans' access to vital mental health and substance use disorder care and programs by not reversing the progress we have made with the recent enactment of key mental health reforms in **the 21st Century Cures Act** and earlier reforms, such as the **Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act (MHPEA) of 2008**.

The importance of Medicaid coverage for people living with mental or substance use disorders cannot be overstated. Medicaid is the single largest payer for behavioral health services in the United States, accounting for about 26 percent of behavioral health spending, and is the largest source of funding for the country's public mental health system. One in five of Medicaid's nearly 70 million beneficiaries have a mental or substance use disorder diagnosis.

Medicaid covers a broad range of behavioral health services at low or no cost, including but not limited to psychiatric hospital care, residential treatment for children, case management, day treatment, evaluation and testing, psychosocial rehabilitation (which includes supported employment, housing, and education), medication management, school-based services as well as individual, group and family therapy. In three dozen states, Medicaid covers essential peer support services to help sustain recovery. Because people with behavioral health disorders experience a higher rate of chronic physical conditions than the general population, Medicaid's

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c/o Laurel Stine, JD, American Psychological Association at lstine@apa.org, Jeff Regan, MA, American Psychiatric Association
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coverage of primary care helps them receive treatment for *both* their behavioral health disorders and their physical conditions.

The state Medicaid expansion has proven to be crucial for low-income adults living with mental and substance use disorders. About 29 percent (3 million people) of low-income persons who receive health insurance coverage through the state Medicaid expansion program have a mental or substance use disorder. In states that have expanded Medicaid and which have been particularly hard hit by the opioid crisis, such as Kentucky, Pennsylvania, Ohio, and West Virginia, Medicaid pays between 35 to 50 percent of medication-assisted treatment for substance use disorders.

We now know that early access to mental health and substance use disorder services is essential to reducing the incidence and severity of these disorders. We also know that treating these disorders is a key factor in reducing the nation's overall health care costs and the incidence of adverse encounters with the criminal justice system and homelessness, as well as in keeping people both in school and employed. Medicaid enables low-income people with mental or substance use disorders to receive care when they need it rather than waiting until there is a crisis, thus enabling them to lead healthier lives as fully participating members of our communities.

Recognizing Medicaid's vital role in bringing mental health and substance use services to vulnerable populations, we are deeply concerned about recent proposals to block grant or cap the federal share of Medicaid. These models would dramatically restructure Medicaid's joint federal-state financing partnership and the federal government's guarantee of matching funds to states for qualifying Medicaid expenditures. Although details of current proposals have not yet been released, based on past proposals, we believe that converting Medicaid into a block grant or a per capita cap would shift significant costs to states up front, and over time. Experts have forecasted a 30 to 40 percent cut in the federal share of Medicaid over 10 years (Sperling, *New York Times*, December 25, 2016). Ultimately, states will be forced to reduce their Medicaid rolls, benefits, and already low payment rates to an already scarce workforce of behavioral health providers. Mental health and substance use disorder treatments and programs will be at high risk.

If states are forced to limit enrollment, eliminate covered benefits, and cut provider rates, we also believe that this will lead to substantial job losses in the behavioral health care industry. Such job losses could lead to additional unemployment, followed by additional reliance on public safety net programs, such as Medicaid.

The MHLG believes that the integrity of the Medicaid program must be preserved and that much can be achieved through more targeted reforms, such as the types of reforms we supported in the recently enacted 21st Century Cures Act. These included, for example, mental health prevention in the very young, early intervention, and care coordination and integration. We stand ready to work with you to promote these types of targeted reforms throughout the Medicaid program.

Sincerely,

American Art Therapy Association
American Association of Child and Adolescent Psychiatry
American Association for Geriatric Psychiatry
American Association on Health and Disability

American Counseling Association
 American Dance Therapy Association
 American Foundation for Suicide Prevention
 American Group Psychotherapy Association
 American Nurses Association
 American Occupational Therapy Association
 American Psychiatric Association
 American Psychiatric Nurses Association
 American Psychological Association
 American Society of Addiction Medicine
 Anxiety and Depression Association of America
 Association for Ambulatory Behavioral Healthcare
 Campaign for Trauma-Informed Policy and Practice
 Children and Adults with Attention-Deficit Hyperactivity Disorder (CHADD)
 Clinical Social Work Association
 Clinical Social Work Guild 49 OPEIU-AFL-CIO
 Depression and Bipolar Support Alliance
 Eating Disorders Coalition
 EMDR International Association
 Emergency Nurses Association
 Global Alliance for Behavioral Health and Social Justice
 International Certification & Reciprocity Consortium
 The Jewish Federations of North America
 Legal Action Center
 Mental Health America
 NAADAC, the Association for Addiction Professionals
 National Alliance on Mental Illness
 National Alliance to End Homelessness
 National Association for Children's Behavioral Health
 National Association for Rural Mental Health
 National Association of County Behavioral Health and Developmental Disability Directors
 National Association of School Psychologists
 National Association of Social Workers
 National Association of State Mental Health Program Directors
 National Disability Rights Network
 National Health Care for the Homeless Council
 National Council for Behavioral Health
 National League for Nursing
 National Multiple Sclerosis Society
 National Register of Health Service Psychologists
 No Health without Mental Health
 Sandy Hook Promise
 Schizophrenia and Related Disorders Alliance of America
 School Social Work Association of America
 The Trevor Project
 Treatment Communities of America
 Young Invincibles

