



National Association of State Mental Health Program Directors

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Executive Director
NASMHPD

September 22, 2017

The Honorable Mitch McConnell
Majority Leader
United States Senate
317 Russell Senate Office Bldg.
Washington, DC 20510

The Honorable Chuck Schumer
Democratic Leader
United States Senate
322 Hart Senate Office Bldg.
Washington, DC 20510

Dear Senators McConnell and Schumer:

The National Association of State Mental Health Program Directors writes to express our serious concerns regarding the provisions of the Senate Amendment to H.R. 1628 known as “Graham-Cassidy-Heller-Johnson (GCHJ)”. We must again, as we did last July, voice our opposition to the restructuring of the Medicaid program into a per capita cap block grant program and the termination of Medicaid expansion. Medicaid is the major source of Federal funding in every state for mental health and substance use services, and expansion has been a significant driver in the treatment of substance use disorders within Medicaid, including treatment of the epidemic of opioid dependence.

NASMHPD is the organization representing the state executives responsible for the \$41 billion public mental health service delivery systems serving 7.5 million people annually in 50 states, 4 territories, and the District of Columbia.

We recognize that the GCHJ proposal would require coverage of mental health and substance use disorder treatment consistent with the Health Parity and Addiction Equity Act (§ 2726 of the Public Health Service Act). However, the parity law does not require that those services be covered, only that once covered they be provided at parity. And other changes in the proposal would reduce access to substance use disorder and mental health treatment, including not only the cap on Federal funding for Medicaid and the end to Medicaid expansion, but also the potential elimination through state “flexibility” of mental health and substance use disorder benefit protections for Americans covered by Medicaid and insured through the small group and individual markets.

The elimination of Medicaid expansion under the amendment would leave without coverage the 1.3 million childless, non-pregnant adults with serious mental illness who were able, for the first time, to gain coverage under Medicaid expansion. It would also leave uncovered the 2.8 million childless, non-pregnant adults with substance use disorders who gained coverage under expansion for the first time. These are populations that Congress promised and worked to serve with the passage of 21st Century Cures and the Comprehensive Addiction and Recovery Act (CARA) of 2016, respectively.

Medicaid is the single largest payer for behavioral health services in the

United States, accounting for about 27 percent of behavioral health spending. It covers a broad range of behavioral health services at low or no cost, including psychiatric hospital care, case management, day treatment, evaluation and testing, psychosocial rehabilitation, medication management, as well as individual, group and family therapy. In 43 states, Medicaid covers essential peer support services to help sustain recovery. In states that have expanded Medicaid and which have been particularly hard hit by the opioid crisis, Medicaid has paid between 35 to 50 percent of the costs of medication-assisted treatment for substance use disorders.

Additionally, because people with behavioral health disorders experience a higher rate of chronic physical conditions than the general population, Medicaid's coverage of primary care is critical to helping this population receive needed treatment for both their behavioral health and physical medical conditions. It is also important to remember that untreated mental health and substance use disorders intensify and serve to increase the number of co-morbid medical conditions in those populations, thereby multiplying total Medicaid program and private insurance costs.

As you are aware, converting Medicaid into a per capita cap block grant program or a simple block grant program will shift significant costs to states over time. Capping Medicaid funding will force states to determine which Medicaid services should be covered, and could very well leave many low-income Americans with mental illness and substance use disorders without access to medically necessary prevention and treatment services. Ultimately, states will be forced to reduce their Medicaid rolls, benefits, and already low payments to an already scarce workforce of behavioral health providers. Mental health and substance use disorder treatments and programs will be at high risk of state budget cuts, even though they are cost-effective, because they are intensive and expensive. The long-term reduction of real funding dollars will leave states and plans no alternative but to reduce or eliminate services in order to balance state Medicaid budgets and operate within managed care organizations' capitated rates. Similar pressures will reduce coverage in the private insurance market over the long term.

NASMHPD looks forward to continuing to work with Congress to make both the insurance marketplace and the Medicaid program more accessible and cost-effective for individuals with mental illness and substance use disorders to ensure they are on their way to recovery. We support the current bipartisan efforts to stabilize the health insurance marketplaces, create competition among insurers, and lower the costs of health care.

We urge you to continue to protect vulnerable Americans' access to and coverage of vital mental health and substance use care and services, and not reverse the recent progress made with the enactment of key mental health and substance use disorder prevention and treatment reforms under the 21st Century Cures Act and the Comprehensive Addiction and Recovery Act.

Please feel free to reach out to [me](#) by email or by phone at 703-682-5181 or to NASMHPD's Director of Policy and Communications, [Stuart Yael Gordon](#), by email or by phone at 703-682-7552 with any questions regarding this letter.

Sincerely,

A handwritten signature in black ink that reads "Brian Hepburn". The signature is written in a cursive, slightly slanted style.

Brian Hepburn, M.D.
Executive Director
National Association of State Mental Health Program Directors (NASMHPD)