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Governor



Matt Strittmater
Chair

Mishelle O'Shasky
Vice-Chair

Julie-Anne Braun
Second Vice-Chair

State of Wisconsin

Wisconsin Council on Mental Health

1 West Wilson Street, P.O. Box 7851
Madison, Wisconsin 53707-7851
mhc.wisconsin.gov

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The Honorable Paul Ryan
1233 Longworth HOB
Washington, D.C. 20515

Dear Speaker Ryan:

The Wisconsin Council on Mental Health (WCMH) is writing to urge your consideration of the impact of changes to the Affordable Care Act (ACA) and Medicaid on the care and treatment of individuals with mental health disorders. According to a 2011 report from the Kaiser Family Foundation¹, Medicaid was the single largest source of funding for behavioral health services in the country, accounting for 26% of behavioral health expenditures. It is especially important for individuals with serious mental illnesses who are more likely to be served by public programs. According to a 2013 Mental Health and Substance Abuse Needs Assessment from the Wisconsin Department of Health Services² 222,000 of 258,000 individuals receiving public mental health services, received some services through Medicaid.

In December as part of HR34, the 21st Century CURES Act, Congress passed far-reaching and significant legislation related to mental health and substance use treatment services. We want to thank each of you for your support of that legislation. At the same time, we wish to point out that proposed changes to Medicaid and the ACA could significantly undermine your intentions to improve services and supports for these populations. Please consider the following as you cast upcoming votes that will affect the health care of millions of individuals living with these disorders.

Medicaid

1. **Medicaid is a multi-faceted program.** When many people think of Medicaid they think of low-income women and children. While this group represents 75% of the Medicaid caseload, they

¹ <http://kff.org/medicaid/report/mental-health-financing-in-the-united-states/>

² <https://mhc.wisconsin.gov/mhbg.htm>

represent only 36% of Medicaid expenditures³. It is the elderly, blind and disabled who comprise 25% of the caseload and 64% of the expenditures. Importantly, with regard to this latter group, Wisconsin has been a national leader in utilizing existing Medicaid flexibility to significantly reorient services to make them more community-based and consumer-driven. But even though the majority of people with serious mental illnesses receive Medicaid services as part of the elderly, blind and disabled group, people with mental health disorders are over-represented among the more traditional Medicaid/Behavioral Health caseload.

2. **Medicaid is the backbone of the public mental health system.** Wisconsin has utilized federal Medicaid matching dollars to support implementation of the core psychosocial rehabilitation services that allow adults with serious mental illnesses and youth with serious emotional disturbances to live in the community. Many of these services are not covered by traditional commercial insurance and the ability of many people to return to work is dependent upon having these rehabilitation services available. Medicaid also covers medications for the treatment of mental health conditions.
3. **Medicaid services can reduce the use of more costly institutional care.** Wisconsin has been successful in utilizing community-based services to reduce the need for inpatient hospital and nursing home care and also increasingly to provide services to allow people to receive treatment as an alternative to incarceration.
4. **What is the price of flexibility?** While we can all identify areas where increased flexibility in the Medicaid program would be desirable, what will this cost? It is a given that the federal government wishes to move to a block grant in order to limit their exposure to Medicaid expenditures. Congress's most recent proposal from 2016 would cut \$1 trillion from Medicaid or one third of the program over the next decade. What would this mean to the provision of critical mental health services?

We encourage you to seek out the following information:

- How does the Wisconsin Medicaid program plan to respond to potentially significant reductions in federal Medicaid dollars under any block grant proposal and how will this impact the mental health system?
- How will potential changes to Medicaid impact the county human services programs in the counties you represent? Since counties have a pivotal role in the provision of these services, how will they respond to funding reductions?

Affordable Care Act

The ACA had a number of positive impacts for people living with mental health disorders. There are a number of questions about how these will be addressed given some of the proposed changes to the ACA.

³ See "Heifetz Presentation" at <https://uwphi.pophealth.wisc.edu/programs/health-policy/ebhpp/events/index.htm> Michael Heifetz is Administrator of the WI Medicaid program.

- Mental illness is a pre-existing condition that prohibited people from gaining access to insurance or from mental health coverage under that insurance. The ACA's ban on imposing pre-existing condition exclusions has been an important improvement in access to services. While President-elect Trump has suggested he supports maintaining these exclusions, they were an part of a package that also insured more universal coverage so that insurers had a more predictable risk pool. **Will a replacement plan protect people with pre-existing conditions and, if not, what will be the impact on the public mental health system, which historically was also asked to serve this population?**
- The group of "childless adults" who were able to be covered by Medicaid up to 138% of the federal poverty level has a disproportionate representation of people with mental illnesses (this was even more the case for people with substance use disorders, who were ineligible to receive Supplemental Security Income, which would have also provided access to Medicaid.) Because Wisconsin choose to cover this group only up to 100% FPL, those above this level were required to utilize the federal exchange to receive services. Additionally, Wisconsin reduced eligibility for low-income parents from 200% FPL to 100% FPL reasoning that these individuals could utilize the exchange. **What will happen to these individuals if the Marketplace is eliminated?**
- The ACA required plans on the marketplace to provide mental health and substance use treatment services as part of the essential benefit package and to make these services available at parity with other health services. Historically mental health services were either not available in some insurance plans or, if available, were added as a rider that had a significant increased cost. Plans to facilitate the cross-state sale of insurance products are predicated on the cost advantages of providing access to plans with fewer mandated services, but this will lead to more individuals not having insurance for mental health and substance abuse treatment because they didn't think they needed it for themselves or their families. **What impact will this have on families, given that medical care costs are a leading factor in personal bankruptcies, and what effect might this have on providers who will experience an increase in uncompensated care?**

The WCMH recognizes that both Congress and Wisconsin's Governor and Legislature have been extremely supportive of improving access to mental health services. The national debate about Medicaid and the ACA is not about mental health services, but it will have a huge impact on these services. We hope this letter has sensitized you to the potential impact and that you will seek to understand more about how you might mitigate this impact as plans for modifying these programs proceed.

Sincerely,



Matt Strittmater
Chair, Wisconsin Council on Mental Health