INVESTING IN MENTAL HEALTH: A CRITICAL PRIORITY FOR AN EQUITABLE RECOVERY

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STRONG MENTAL HEALTH SYSTEM IS ESSENTIAL FOR MANY STATE PRIORITIES

- Reduce over-institutionalization and overuse of emergency services
- Promote Education Equity
- Stabilize chronic physical health conditions
- Keep People Stably Housed
- Keep Families Together and Out of Child Welfare System
- Reduce Drug Overdoses
- Reduce Incarceration
MEDICAID IS A LEADING SOURCE OF BEHAVIORAL HEALTH COVERAGE AND IMPROVES ACCESS TO CARE

Medicaid covers a substantial portion of adults with behavioral conditions, as of 2015.

- Serious Mental Illness: 26%
- Any Mental Illness: 21%
- Addiction: 17%

Some people with behavioral health conditions qualify for Medicaid because of a disability, while others gained coverage through Medicaid Expansion.

Adults with Medicaid are more likely than uninsured adults to receive behavioral health treatment.

- Addiction: 21% (Medicaid), 10% (Uninsured)
- Mental Illness: 23% (Medicaid), 47% (Uninsured)

In 10 expansion states, there was a 44% average decline in uninsured mental health hospital stays as of 2014, a decline not seen in non-expansion states.

Infographic from Kaiser Family Foundation: https://www.kff.org/medicaid/issue-brief/medicaids-role-in-financing-behavioral-health-services-for-low-income-individuals/
MEDICAID IS A LEADING SOURCE OF BEHAVIORAL HEALTH COVERAGE AND IMPROVES ACCESS TO CARE

Figure 6
Proportion of Total Spending on Behavioral Health Services in 2014, by Payer

NOTE: Other payers include Medicare and other federal funds, such as block grants.

Infographic from Kaiser Family Foundation: https://www.kff.org/medicaid/issue-brief/medicaids-role-in-financing-behavioral-health-services-for-low-income-individuals/
PEOPLE WITH BEHAVIORAL HEALTH NEEDS ACCOUNT FOR HIGH PORTION OF OVERALL HEALTH SPENDING

Figure 4
Proportion of Medicaid Enrollment and Spending on Enrollees with and without Behavioral Health Conditions, 2011

NOTE: Full-benefit dual eligibles and seniors were included in this analysis; however, partial-benefit enrollees and states with incomplete or low-quality managed care encounter data (11 states including DC) were excluded.
COVID IS CAUSING INTENSE STRESS AND HARDSHIP FOR ADULTS

More Than 1 in 3 Adults Had Trouble Paying for Usual Household Expenses in Last 7 Days

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>All adults</td>
<td>35%</td>
</tr>
<tr>
<td>Black, not Latino</td>
<td>51%</td>
</tr>
<tr>
<td>Latino (any race)</td>
<td>51%</td>
</tr>
<tr>
<td>Other/multiracial, not Latino</td>
<td>48%</td>
</tr>
<tr>
<td>Asian, not Latino</td>
<td>33%</td>
</tr>
<tr>
<td>White, not Latino</td>
<td>28%</td>
</tr>
</tbody>
</table>

Share of adults reporting that it was somewhat or very difficult for their household to pay for usual expenses.

Note: Other/multiracial, not Latino = people identifying as American Indian, Alaska Native, Native Hawaiian or Pacific Islander, or more than one race. Percentages exclude individuals who did not respond to the question.

Source: CBPP analysis of Census Bureau Household Pulse Survey tables for January 6-18, 2021
COVID IS CAUSING INTENSE STRESS AND HARDSHIP FOR HOUSEHOLDS WITH CHILDREN

More Than 4 in 10 Children in Renter Households Face Food and/or Housing Hardship

Percent of children in households that:

- Didn’t get enough to eat: 33%
- Not caught up on rent: 30%
- Both: 16%
- Either: 45%

Note: Didn’t get enough to eat = household had “not enough to eat” sometimes or often in last 7 days. Figures omit children in households that do not pay cash rent, such as those in employer-provided housing, as well as those who did not respond to one or both hardship questions. Survey does not collect data on children directly; figures for children are estimated based on number of children in each household.

COVID IS UNDERMINING MENTAL HEALTH CARE WHILE NEED RISES: PROVIDERS CAN’T AFFORD FUNDING CUTS

September Survey of Community Behavioral Health Providers

- 65% have canceled, rescheduled or turned away patients
- Over 50% closed at least one program
- Roughly ¼ have furloughed staff, ¼ have laid off staff, and over 40% have decreased staff hours

BUDGET SHORTFALLS CAN LEAD STATES TO CUT MEDICAID AND OTHER STATE MENTAL HEALTH SPENDING

State General Fund Expenditures

- Medicaid: 19.3%
- K-12 Education: 35%
- Higher Education: 9.7%
- Public Assistance: 1.4%
- Corrections: 6.9%
- All Other: 26.9%
- Transportation: 0.8%
Many States Cut Medicaid During Prior Economic Downturns

Number of states making Medicaid cuts in each state fiscal year

- Eligibility restrictions
- Benefit restrictions
- Provider payment cuts

Note: Graph shows years in which states faced significant budget shortfalls during and following recessions; data for 2002 are not available.

Source: Kaiser Family Foundation
PRINCIPLES FOR STATE POLICY RESPONSE FOR AN EQUITABLE RECOVERY—INCLUDING FOR MENTAL HEALTH POLICY

- **Target relief** to people most in need

- **Protect key investments**, including state mental health funding (Medicaid and general revenue funds)

- **Make structural fixes** to address structural inequities and reject short-term solutions

Continued hardship and a damaged mental health care system is not an inevitable outcome of the crisis. Policymakers can shape those outcomes.
FEDERAL POLICY: COVID & ECONOMIC RECOVERY

Short-term investments to respond to COVID-19:

- Medicaid Funding Increase (FMAP bump) and Coverage Protections
- Provider Relief Funds
- $4.25 Billion in Behavioral Health Grants Through SAMHSA
UPCOMING FEDERAL LEGISLATIVE VEHICLES FOR COVID & ECONOMIC RECOVERY

COVID-19 and Economic “Rescue” Package

COVID-19 and Economic “Recovery” Package

Fiscal Year 2022 Appropriations
STATES CAN FULLY LEVERAGE MEDICAID AND USE GRANTS TO FILL FUNDING GAPS TO SUPPORT STRONG MENTAL HEALTH SYSTEM FOR THE LONG TERM

- Expand Medicaid eligibility to improve coverage and access to care
- Use Medicaid to cover evidence-based services
- Provide strong reimbursement rates and take other steps to help providers build capacity to meet need
- Use Medicaid to build bridges with physical health care, housing, schools, correctional systems and more
- Use grants and general revenue to fill funding gaps for uninsured and underinsured, to support providers, and test new approaches
PARTNERSHIP WITH MENTAL HEALTH SYSTEM CAN LEAD TO CROSS-SYSTEM INNOVATIONS AND IMPROVE OUTCOMES

✓ Improving access to school-based behavioral health screening and services
✓ Integrating physical and behavioral health
✓ Preventing incarceration
✓ Reducing emergency department and other emergency services
✓ Preventing child welfare system involvement
✓ Improving access to community-based services and treatment and reduce institutionalization

But interventions won’t be scaled to fully meet need without reliable funding for mental health services.