Medicaid Expansion

NAMI's Position

NAMI's public policy platform supports "health care for all persons with mental illnesses that is affordable, nondiscriminatory and includes coverage for the most effective and appropriate treatment."

NAMI's platform further "supports mandatory coverage and full parity for mental illnesses that is equal in scope and duration to coverage of other illnesses, without lifetime maximum-benefit caps and other limits more restrictive than those required for other illnesses or disorders, and covers all clinically effective treatments appropriate to the needs of individuals with mental illnesses."

"Parity requirements must apply both to quantifiable treatment limitations (for example, premiums, co-pays, deductibles, annual limits, lifetime limits, etc.) and non-quantifiable treatment limitations (for example, medical management standards, utilization review practices, formulary designs for prescription drugs, etc.). NAMI strongly opposes all exceptions to these parity requirements."

NAMI's full *Public Policy Platform* on health care reform is available at nami.org/policy.

Overview

Medicaid coverage improves health and well-being and reduces financial strain.[1] However, millions of people who live with mental illness are not eligible for Medicaid even though they are low-income and uninsured. Medicaid eligibility varies by state, but is generally limited to low-income children, women, older adults and people with disabilities who receive Supplemental Security Income (SSI). The health reform law permits states to extend Medicaid eligibility to uninsured adults and children whose incomes are at or below 138 percent of the federal poverty level (FPL), including many who live with mental illness.

The health reform law permits Medicaid expansion plans (Alternative Benefit Plans) to be more limited than a state's traditional Medicaid plan, but plans must provide coverage of mental health and substance use services, including inpatient hospitalization, outpatient services, emergency services and prescription drugs. However, final federal regulations on Alternative Benefit Plans should:

- Eliminate restrictions on Medicaid reimbursement for care in free-standing public and private psychiatric hospitals known as "Institutions for Mental Diseases" (IMDs) in coverage provided in Medicaid expansion plans;
- Limit cost-sharing for non-preferred drugs and ensure preferred drug lists do not discriminate against people living with mental illness;

[1] Finkelstein, et al; (2011) the oregon health insurance experiment: evidence from the first year. Http://www.Oregonhealthstudy.Org/en/home.Php

- Identify how parity, balance and non-discrimination requirements apply to Alternative Benefit Plans and how states should supplement Alternative Benefit Plans to comply with these requirements;
- Ensure states have the flexibility to provide additional benefits beyond those in the benchmark plan to all enrollees, including people who are newly-eligible for Medicaid;
- Ensure an adequate minimum set of services in all required Essential Health Benefit categories, including mental health services, in all Medicaid expansion plans (Alternative Benefit Plans); and
- Define a single comprehensive Essential Health Benefit in 2016 that ensures that an appropriate range of specific services are covered in every plan.

Assertive outreach and enrollment by trusted individuals and organizations is also necessary to educate, enroll and retain people with mental illness in Medicaid plans because adults with mental illness or substance use disorders are less likely than other adults to enroll in plans.

Federal dollars will pay 100 percent of the cost for newly-eligible Medicaid enrollees through 2016. Federal support will taper to 90 percent in 2020 and beyond. [2] States that expand their Medicaid programs will receive millions of federal dollars to provide needed health and mental health coverage.

Advocacy Priorities and Goals

- Expand Medicaid eligibility to households with incomes at or below 138 percent of the federal poverty level as permitted under the Patient Protection and Affordable Care Act in every state.

- Eliminate restrictions on Medicaid reimbursement for care in free-standing public and private psychiatric hospitals known as "Institutions for Mental Diseases" (IMDs) in coverage provided in Medicaid expansion plans.

— March 2013

[2] Kaiser Commission on Medicaid and the Uninsured (Sept. 2012) Medicaid Financing: An Overview of the Federal Medicaid Matching Rate (FMAP) http://www.kff.org/medicaid/upload/8352.pdf