

KANSAS MENTAL HEALTH COALITION

.....*Speaking with one voice to meet the critical needs of people with mental illness*

Expand Medicaid to Close Gaps in the Behavioral Health Continuum

Position: THIS IS THE YEAR TO PASS MEDICAID EXPANSION. Medicaid Expansion is the insurance option for our fellow Kansans who don't make enough money to afford quality health insurance but have incomes that are too high to qualify for KanCare. Most are employed and many work multiple jobs to provide for their families. These are Kansans stuck in the coverage gap, with no affordable insurance options. Both the 2019 Mental Health Task Force Report and Governor's Substance Use Disorder Task Force Report recommend expansion to cover 132,000 people in the gap. Our behavioral health programs struggle to sustain treatment for mental illness and addictions for a largely uninsured population. Expanding Medicaid will improve access to care for Kansans who need it most.

Both the 2019 Mental Health Task Force Report and Governor's Substance Use Disorder Task Force Report recommend expanding KanCare eligibility to more Kansans.

The Problem: Most of the Kansans served by addiction treatment facilities and community mental health centers are uninsured or under-insured. Without insurance, they forgo regular health care and often do not obtain medical and mental health care when they become ill. When they are finally forced to seek treatment in crisis and desperation, the cost of that treatment shifts to emergency rooms, state mental health hospitals and to taxpayers. Too many of our citizens are currently homeless or incarcerated due to the gaps in our behavioral health continuum of care. At least five community hospitals have closed their psychiatric units in recent years. Because the Affordable Care Act anticipated Medicaid expansion, it also reduced the disproportionate share (DSH) subsidies to hospitals that used to help offset the costs of treating the uninsured.

Why this matters: Thirty percent of the people treated by community mental health centers in Kansas are completely uninsured. Nearly 70% of individuals served at community mental health centers have an income of less than \$20,000. Now, the moratoriums on admissions at Osawatimie State Hospital and Larned State Hospital mean that individuals in crisis must wait for a hospital bed. Law enforcement and local emergency departments have been placed in an impossible position to hold individuals waiting for inpatient admissions. In Kansas, untreated mental illness is associated with an estimated 128 suicides, 21,000 incarcerations and 29,000 unemployed adults, costing the private sector, including employers, nearly \$429 million per year.

According to the 2019 Mental Health Task Force Report, "expanding Medicaid would undergird many of the (Task Force) recommendations by improving access to behavioral health services at all levels of care and allowing investment in workforce and capacity."

The bottom line: For many Kansans, access to important behavioral health treatment and supports is out of reach. A Government Accountability Office (GAO) analysis indicates that up to 25% of the new enrollees had mental or substance use disorder diagnoses (under programs studied in four states adopting expansion). Federal cost sharing covers most of the expense for these Kansans.

The rest of the story about KanCare (Medicaid) Expansion

Today, Kansas' Medicaid eligibility threshold for adults is among the lowest in the country at less than 33 percent of the Federal Poverty Level (FPL)—\$8,498 for a family of 4 in 2019. In addition, in our state, only adults who are caregivers, such as parents and guardians, are eligible at that level. Childless adults who are not disabled cannot qualify without a chronic disability for Medicaid, no matter how poor they are. Multiple studies link poverty to occurrence and severity of mental illness in adults and children.

Analysis by multiple committees and task forces has determined that Kansas behavioral health continuum of care is lacking due to the high amount of unreimbursed care and a lack of sustainable funding sources. Medicaid reimbursement covers a portion of the individuals served, although the rates may not cover the full cost of care. Covering more individuals would add stability to the programs and assist programs to hire qualified staff.

An issue brief from the Kansas Health Institute, states that: “A total of 132,000 Kansans — including 93,000 adults and 39,000 children — are estimated to newly enroll in KanCare if Medicaid is expanded.”

In summary: We support any effort that would make Medicaid available to Kansans who live within 138 percent of the federal poverty guidelines to cover needed behavioral health services.

As Kansas forgoes the opportunity to expand KanCare, it will continue to see increased numbers of people who cannot receive services until they are in crisis; fewer local hospitals available to serve them when they are in crisis; fewer state hospital beds available for those needing inpatient treatment; and virtually all treatment being provided at the highest possible cost, accelerating the depletion of the state resources available, and resulting in a vicious downward cycle. Financially, the federal taxes Kansans pay go to fund Medicaid in other states, while we leave our citizens without care.

To prevent this, Kansas must reduce the number of people who have no insurance coverage. Doing so would make behavioral health services more widely available, encouraging earlier intervention and more consistent care and treatment during a person's illness. Due to the number of uninsured Kansans, our community mental health centers, community hospitals, safety net clinics and state mental health hospitals need a new source of public funding from the state coffers. If the state expands KanCare coverage, new money will become available to supplement SGF. That money could, in part, support the badly needed expansion of the state's healthcare workforce. The resulting additional tax revenue, the reduction in unemployment and the maintenance of a healthier, more productive citizenry would all become possible.

See <https://www.khi.org/policy/article/18-12> for Kansas Health Institute data related to Medicaid expansion.