

KANSAS MENTAL HEALTH COALITION

An Organization Dedicated to Improving the Lives of Kansans with Mental Illnesses

Alliance for a Healthy Kansas Public Hearing – April 13, 2022

Expand Medicaid to Repair Gaps in the Behavioral Health Continuum

Medicaid expansion is the insurance option for our fellow Kansans who don't make enough money to afford quality health insurance or health care exchange plans but have incomes that are too high to qualify for KanCare. Many are employed, but their employers do not provide insurance. Their treatment falls into the unreimbursed care category – and as a result they often postpone important health care needs.

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 recommended 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. With workforce costs at a premium, access to care is more and more difficult. Expanding Medicaid will improve access to care for Kansans who need it most and bring millions of federal dollars to pay for it.

The Problem: Kansas ranks below the United States average, often in the bottom quartile, for behavioral --health outcomes in data from 2018 to 2021. The behavioral health continuum of care has broken down with higher rates of teen and veteran suicide, higher rates of behavioral health related arrests and unmet treatment needs. More people are accessing treatment at the highest end of the continuum while in crisis. Recently Kansas has taken strong steps to turn this trend around, but there is a long way to go.

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 crisis centers. 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 – further adding to the burden of unreimbursed care.

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. 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 in states that have implemented expansion had mental or substance use disorder diagnoses. Federal cost sharing covers almost all of the expense for treating these individuals under 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). 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, but these rates are not covering the full cost of care. Covering more individuals would add stability to the programs and assist programs to hire qualified staff.

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 most treatment being provided at the highest possible cost, accelerating the depletion of the state resources available, and resulting in a vicious downward cycle.

Kansans pay federal taxes that go to fund Medicaid expansion in other states, while we leave our citizens without proper 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 with behavioral health needs, our community mental health centers, community hospitals, safety net clinics and state mental health hospitals need new sources 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 members of the Kansas Mental Health Coalition urge the Kansas Legislature to expand Medicaid.

Thank you for your kind consideration,

Mary Jones, President

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