

# 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:** Kansas should pass Medicaid Expansion to provide an insurance option for 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, many with multiple jobs.. These are Kansans stuck in the coverage gap, with no affordable insurance options. The 2019 Mental Health Task Force Report and Governor's Substance Use Disorder Task Force Report recommend expansion. 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.

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**The Problem:** Most of the Kansans served by addiction treatment facilities and community mental health centers are uninsured or under-insured.

Uncompensated care limits the ability to serve for mental health and addiction providers, hospitals and clinics. Uninsured Kansans forgo regular health care and often do not obtain medical and mental health care when they become ill. When 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 and Kansas has a serious mental health workforce shortage. 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. Kansas should access the federal funds available.

**Why this matters:** Thirty percent of the people treated by community mental health centers in Kansas are completely uninsured. Nearly seventy percent of individuals served at community mental health centers have an income of less than \$20,000. Now, the shortage of bed capacity at Osawatomie State Hospital and Larned State Hospital means 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.

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 support 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, for instance a parent with a dependent child in a three-person household, would earn less than 33% of the federal poverty level, or roughly \$8,200 per year. In addition, 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.

**Federal Cost Share Reduced Burden on States:** ARPA provides states that newly expand their Medicaid programs a five percentage point increase in the Federal Medical Assistance Percentage (FMAP) applied to spending on most currently eligible Medicaid enrollees for two years (eight quarters) after expansion. Adults newly eligible because of expansion would receive the standard 90 percent FMAP for expansion enrollees.

### **Medicaid Expansion's Impact on the Kansas Behavioral Health System and Users of Behavioral Health Services – research by the Kansas Health Institute – January 2023**

Medicaid is among the largest purchasers of behavioral health services in the United States and in Kansas. If Kansas were to expand the Medicaid program under the terms of the Affordable Care Act, the outcome also would expand Medicaid's role in the behavioral health system in Kansas. This report, prepared for the Alliance for a Healthy Kansas through a contract with the Community Care Network of Kansas, studies the impact that Medicaid expansion might have on the behavioral health system in Kansas and how expanding coverage could provide other benefits for Kansas families and communities.

Key findings include:

- Of the 108,800 adults expected to newly enroll in Medicaid if expanded, an estimated 24,154 are likely to use behavioral health services once enrolled.
- Medicaid expansion is estimated to increase annual revenues for behavioral health providers from Medicaid claims by \$87.1 million, a net revenue increase of \$62.6 million.
- Federally qualified health centers in expansion states had average increases of 1,500 visits overall and 1,000 mental health visits per year as compared to non-expansion states.
- Medicaid expansion has been associated with fewer arrests and reduced rates of rearrest. A reduction in arrests may lead to reduced spending at county jails in Kansas and reduced incarceration in the criminal justice system.
- Medicaid expansion states experienced a 32.0 percent reduction in foster care admissions related to neglect as compared to non-expansion states. Applying the reduced rate experienced in expansion states to 2022 Kansas foster care data equates to an estimated 305 fewer children entering the foster care system in Kansas because of neglect.