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NHCBHA POSITION PAPER ON MEDICAID EXPANSION

Position Summary

The NH Community Behavioral Health Association supports the expansion of Medicaid as a means of improving access to mental health care; addressing issues of parity in coverage; and stabilizing the community-based mental health delivery system in New Hampshire.

Background

At its foundation, 2010's federal health care reform sought to take on the twin concerns of rising health care prices and the need to provide coverage for the millions of uninsured. The Affordable Care Act (ACA) addresses these concerns through two major programs: the expansion of Medicaid benefits to very low-income adults; and a method of offering support to individuals who need partial assistance to purchase commercial insurance. Both of these programs are designed to dramatically reduce the number of individuals who use the system but have no coverage.

The costs of providing health care to those who do not have insurance are shifted to other payers, thus increasing commercial health insurance premiums and Medicaid costs. Without expansion, New Hampshire's community-based mental health system will be further strained by providing services to uninsured individuals. Community mental health centers do not turn anyone away for lack of ability to pay, as discussed more below.

Expansion of Care

In New Hampshire in 2013, nearly 170,000 individuals are uninsured. Most have incomes below 138% of poverty, which amounts to \$298 a week. While the ACA will not fully address this problem for all those uninsured, it will offer programs to many of the most needy through the two programs, which will provide health insurance coverage to nearly 100,000 people: 55,000 will benefit from changes in eligibility standards in Medicaid; and 45,000 will have access to premium supports so that they can purchase commercial insurance through the health exchanges.

NH has chosen the Matthew Thornton Blue plan as the benchmark for essential benefits under the exchange. The benchmark must include 10 mandated benefit categories, and mental health and substance abuse services is one of these categories.

Support for the Community Mental Health System

More than 50,000 individuals in New Hampshire currently receive care each year through the state's ten community mental health centers.¹ Approximately 20,000 of these mental health consumers are poor and have severe and persistent mental illness, thus qualifying them for services under the existing Medicaid structure. Thirty thousand are cared for at the community mental health centers; some have limited commercial insurance, but many are uninsured and the ten centers typically receive no or partial payment for their care.

The community mental health system will be helped by Medicaid expansion because many of those currently not able to pay for their care will be enrolled in the Medicaid system in 2014. This population will include the currently non-covered category of poor, childless adult, with a diagnosable mental illness, which accounts for a significant piece of the uncompensated care cost to the system. However, it should be noted that the details of the mental health benefit for the new population are still unknown.

Parity

People newly eligible under the Medicaid expansion will have access to the mental health and substance use benefit required of plans offered through the health exchanges. Also, federal parity requirements under the Mental Health Parity and Addiction Equity Act of 2008 will apply to both the newly eligible and all Medicaid managed care plans. In short, mental health and substance use benefits must be offered in the Medicaid expansion and these benefits must be offered at parity with medical services in the plan. The result will be a major step forward in ensuring that mental health care is covered by insurance and Medicaid on par with other chronic diseases.

Reducing the downshift

Medicaid expansion will replace local, county and state spending for the care of the uninsured which is now down-shifted onto those agencies. Expansion will begin to reverse what has been a sharp decline in public investment in funding for mental health services in the 21st century. According to a recent report from the National Association of State Mental Health Program Directors, state investments in mental health services dropped by \$4.35 billion between 2009 and 2012 – even as an additional one million people sought treatment during that same period. By enrolling low-income, uninsured adults in Medicaid, the current pressure on other levels of government as well as local health departments, social service agencies, homeless shelters, and other public and private agencies will be somewhat relieved.

¹ <http://www.gencourt.state.nh.us/rsa/html/X/135-C/135-C-7.htm>