

BEHAVIORAL HEALTH NEWS

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FIGHT AGAINST THREATS TO BEHAVIORAL HEALTH FUNDING

By

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The Trump presidency and Republican control of the Congress may do great damage to the already inadequate American mental health system by repealing the Affordable Care Act, eliminating Medicaid as an entitlement, privatizing Medicare, and limiting the authority of the states to regulate health insurance.

The Affordable Care Act

The Affordable Care Act (ACA) has provided important benefits for people with mental and substance use disorders who previously were unable to pay for treatment. Through expansion of Medicaid and the creation of health care exchanges designed for small businesses and individuals to be able to purchase health insurance at more reasonable prices than previously possible, 20 million people now have health insurance coverage who did not have it before the ACA. Their insurance is mandated to include coverage of mental and substance use disorders, coverage that was not previously required.

Although prior to the ACA, most employer-based health plans covered some behavioral health services, only 61% of private individual health plans had any mental health coverage and only 54% had coverage for addictions. And mental and substance use disorders were among the pre-existing conditions for which health coverage could be denied or sold at very high prices. Because of this new requirement, about 12 million people who had health insurance but without behavioral health coverage before the ACA now have it.

In total, roughly 32 million people have behavioral health coverage now who did not have it prior to the ACA.

In addition, the ACA spelled out, and required coverage of, a range of benefits, such as rehabilitation, that are essential for positive outcomes.

And it included efforts to close the cracks in the American health system by integrating physical and behavioral health care. And more.

Medicaid

Medicaid is the single largest source of funding for behavioral health services, paying \$54 billion of \$220 billion spent on mental health and substance abuse services in 2014.* And it has grown considerably over the years from 16% to 25% of behavioral health funding. Medicaid is now the lifeline for almost everyone with a long-term behavioral health condition and for many others with less severe disorders who otherwise would have no coverage.

What would happen if the Republicans succeed at turning Medicaid into a block grant program? It is arguable whether state Medicaid programs would be better or worse with fewer federal controls. But it is not arguable that **it would become far more difficult to make inroads in the vast unmet need for behavioral health services if Medicaid is no longer an entitlement.** Keep in mind that currently 60% of people with behavioral health conditions do not get treatment. Constraints on federal funding for Medicaid would at best stop the growth of funding for behavioral health services and at worst would allow states to roll back Medicaid funding altogether.

Hospitals and other organizations that provide behavioral health services to people without adequate coverage would be particularly at risk. Medicaid has not only provided coverage for many of their patients; it has also provided mechanisms such as “disproportionate share” to help them deal with deficits due to non-payment of fees. Loss of mechanisms of this kind threaten the survival of hospitals and community behavioral health organizations if expanded coverage under the ACA is eliminated.

Medicare

Medicare has grown as a funder of behavioral health services from about 7% in 2004 to 14% in 2014, so that it now is close to reflecting the proportion of the population that has Medicare. As the older population doubles over the next couple of decades, Medicare will become a more and more significant payer—unless, of course, the program is gutted in the way that Speaker Ryan has proposed. Providing funds to individuals to choose among competing Medicare plans would effectively end Medicare as an entitlement, and if, as is likely, federal vouchers or tax credits are too low, it will be

* Private insurance covered a tad less, \$53 billion.

impossible for many, many retirees to buy health insurance at all. Even with Medicare, many older adults find it exceedingly difficult to get behavioral health services. Without Medicare, forget it.

Crossing State Lines

One of Trump's most frequently repeated promises is to permit the purchase of health insurance across state lines so that employers and individuals can get the best price possible. Holding down prices is, of course, important. But this would vitiate state insurance mandates, some of which have been important in the fight to improve behavioral health coverage—especially for parity. Yes, health insurance prices would likely come down as states allowed insurers to cut benefits to the bone, but this would come at the cost of transparent and adequate coverage—especially behavioral health coverage.

Fighting Back

The loss of behavioral health benefits through repeal of the ACA, the elimination of Medicaid and Medicare as entitlements, and permitting interstate competition among health insurance plans is very far from a *fait accompli*.

Yes, both Trump and the leadership of the new Congress have promised to repeal "Obamacare". But they are also promising to retain provisions of the ACA that are of vital importance to the American people. **We must do all we can to make clear that coverage of behavioral health conditions through both government-based and private health insurance must be among the provisions that survive repeal.**

And, Republican efforts to end Medicaid as an entitlement via block grants are not new. President Reagan made this one of his major goals. Advocates and the health care industry fought back together, using all the clout at their disposal to successfully protect health care funding for medically indigent people. We can do it again.

The possible attack on Medicare is far from a unified goal of Republican federal elected officials. Splitting them on this issue should not be at all difficult though it will take advocacy to do it.

Eroding the power of the states to regulate the health insurance industry may also become far less appealing to Republicans if we make the case that permitting sale of insurance across state lines effectively violates states' rights.

Whatever arguments we make to head off the potential disaster for people with behavioral health conditions, it is entirely clear that **advocates, hospitals, community behavioral health providers, professionals, and the unions and trade associations that represent them will need to put aside self-interest and ideological differences to fight off policies that would have grave impact on our nation's capacity to provide behavioral health services.**

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