

KANSAS MENTAL HEALTH COALITION

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

Expanding Medicaid: Close Gaps in Mental Health Continuum

Position: The Coalition supports the expansion of KanCare, a move that would make the state's Medicaid plan eligible to adults with an income at or below 138% of federal poverty guidelines. The federal government will pay between 90% and 95% of the costs. Kansans have difficulty accessing important behavioral health programs in many areas of the state. Expanding Medicaid is one of the best options available to close some of the gaps in our behavioral health continuum of care. Inpatient beds, transition programs, and community based crisis centers struggle to sustain services for a largely uninsured population. These programs also face a workforce shortage. The Bridge to a Healthy Kansas plan expands the number of Kansans with access to quality healthcare, and gives our state a greater share of federal funding to support the programs that provide the care.

The Problem: 9% of Kansans are uninsured. In most cases these are working people whose employers do not offer coverage, or who work too few hours to qualify. They are also farmers, truckers and other self-employed citizens. Without insurance, they forgo regular health care and often do not obtain medical and mental health care when they become ill. When they finally are forced, in crisis and desperation, to seek treatment, 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. Mental health programs have restricted or triaged services due to reductions in grant funding and unreimbursed care.

Why this matters: More than 50 percent of the people treated by community mental health centers in Kansas are uninsured. Nearly 70% of individuals served at community mental health centers have an income of less than \$20,000. As a result, services are often provided in crisis situations. In too many cases this results in lost opportunities to intervene early to prevent violence and suicide. Now, the moratorium on admissions at Osawatomie State Hospital means that even individuals in crisis must wait for needed care. Law enforcement and local emergency departments have been placed in an impossible position to hold individuals waiting for inpatient admissions. Expanding KanCare would qualify some of these Kansans for essential health benefits, including mental health and substance use treatment. 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.

The bottom line: A study by George Washington University and Regional Economic Models Inc., concludes that expansion will more than offset the costs the state would incur due to KanCare expansion. Over the period 2016 to 2020, the study says, the state would spend an estimated \$312 million on expansion. However, those costs would be offset by increased revenues driven by the economic and employment growth KanCare expansion would bring, including 3,500 – 4,000 jobs and other economic impacts. Ultimately, Kansas must do something to turn around the current crisis. Our communities will pay for the care of individuals with behavioral health issues, one way or another.

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)—\$8,019 for a family of 4 in 2016. 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 for Medicaid, no matter how poor they are. Multiple studies link poverty to occurrence and severity of mental illness in adults and children.

Recent analysis by the Adult Continuum of Care Committee 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: “Nearly 152,000 Kansans (98,000 adults and 54,000 children) are estimated to enroll in KanCare if Medicaid expands under current law.”

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 www.khi.org/assets/uploads/new/14690/medicaid_estimates_brief_2016_final_web.pdf for data related to Medicaid expansion.