



Preserving Medicaid and the Children's Health Insurance Program is Critical for Behavioral Health



Medicaid and the Children's Health Insurance Program (CHIP) provide health and long-term care coverage to almost [82 million](#) low-income children, pregnant women, adults, seniors, veterans, and people with disabilities in the United States. Medicaid is a significant funding source for hospitals, community health centers, physicians, and nursing homes.

MEDICAID MANAGED CARE ORGANIZATIONS

Medicaid Managed Care Organizations (MCOs) are partnerships between state governments and health insurance plans to provide accountability and comprehensive health coverage to Medicaid enrollees. Managed care is the predominant way state Medicaid programs provide health services to people with Medicaid, with 75% of all Medicaid beneficiaries enrolled in an MCO.

- 41 states and the District of Columbia use managed care to provide Medicaid to enrollees.
- From 2003 to 2022, total enrollment in MCOs has more than quadrupled.
 - Medicaid MCOs improved their performance on 87% of key quality metrics related to patient satisfaction, provision of services, and health outcomes over four years.
 - While states are less likely to enroll adults over 65 years old and people with disabilities in MCOs, states are increasingly including enrollees with complex needs in MCOs.

BEHAVIORAL HEALTH AND MEDICAID

[Medicaid](#) is the single largest payer for mental health (MH) and substance use disorder (SUD) services in the United States and is increasingly playing a larger role in the reimbursement of SUD services.

[Medicaid](#) funds the full range of MH, SUD, and integrated health care in clinics, hospitals, doctors' offices, nursing homes, vital home and community-based services, and provides transportation to care.

Cutting Medicaid funding or benefits will disproportionately harm people with MH and SUD conditions, who make up approximately 40% of non-elderly adults on Medicaid.

More than [1 in 3 nonelderly adults](#) enrolled in Medicaid have a mental illness (35%), including 10% with a serious mental illness. Medicaid expansion in states has shown a correlation to reductions in rates of suicide death among nonelderly [adults](#).

CRISIS SERVICES

- In [2023](#), several states reported expanding coverage of crisis services and/or services aimed at improving physical and behavioral health care integration.
- Data from the National Hospital Ambulatory Medical Care Survey looked at the annual number of mental health-related Emergency Room (ER) visits by people 6 to 24 years old. From 2011 to 2020, the figure rose from 4.8 million to 7.5 million. In effect, the proportion of ER visits for mental health-related issues roughly doubled, from 7.7 percent to 13.1 percent.

7.5 million

ER visits by people 6 to 24 years old from 2011 to 2020.



13.1%

Increase in ER visits for mental health-related issues.



- Mobile Crisis Teams (MCTs) are specialized mobile units that provide on-site, immediate MH and SUD crisis intervention and support to individuals in distress and connect people with appropriate services. Most state [Medicaid programs](#) reimburse for mobile crisis services. MCTs [save money](#) by reducing the incidents of arrest and psychiatric hospitalization. Medicaid programs can access an [85% enhanced federal match](#) for [American Rescue Plan Act \(ARPA\) mobile crisis services](#) for eligible Medicaid enrollees between April 1, 2022 to March 31, 2027 for up to 12 fiscal quarters.

CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINICS

- [The National Council for Mental Wellbeing](#) estimates that as of March 2024, Medicaid-funded Certified Community Behavioral Health Clinics (CCBHCs) served 3 million clients.
- 80% of CCBHCs offer one or more forms of medication-assisted treatment (MAT) for opioid use disorder.
- 83% of CCBHCs provide services on-site in one or more schools, childcare, or other youth-serving settings.
- 98% of CCBHCs are actively engaged in one or more innovative activities in partnership with criminal justice agencies.

INSTITUTIONS FOR MENTAL DISEASES (IMDs)

- IMDs are facilities with 16 or more beds that provide medical care and treatment for mental illness. Currently, Medicaid does not allow for payment for MH and SUD treatment in IMDs that have more than 16 beds unless a state applies for a waiver.
- Permanently eliminating the IMD exclusion is critical to allow people who rely on Medicaid to have access to MH and SUD treatment delivered in IMDs. People with mental illnesses and SUDs should have access to a full range of treatment options, and inpatient psychiatric care may be an essential component of treatment.

SCHOOL-BASED SUPPORTS

- [Medicaid](#) provides significant financing for delivering school-based behavioral health services and covers approximately [4 in 10](#) children nationwide. School-based behavioral health programs may rely on [Medicaid](#) in several ways, including reimbursement for medically necessary services that are part of a student with a disability's Individualized Education Plan (IEP), for eligible health services for students with Medicaid coverage and some administrative activities.
- [Recent guidance](#) states that Medicaid spending on school-based health services in 2021 was nearly \$6 billion.

OPIOID USE DISORDER (OUD)

- State Medicaid programs play a particular role in the opioid epidemic, covering nearly [40% of people](#) with OUD.
- 37 states have waivers for [Section 1115 Demonstration](#) programs that allow them to receive federal funds for services delivered to Medicaid beneficiaries with SUDs in IMDs. These waivers help improve access in states to a full continuum of SUDs, including medications for opioid use disorder (MOUD).
- Medicaid funding for SUDs is key to providing access and appropriate treatment. Overall, 21.1% of Medicaid enrollees aged 12 and older have a diagnosed SUD, according to 2023 Medicaid claims data.
- There are concerns that cuts to Medicaid will lead to coverage disruptions and, therefore, disrupt enrollee access to necessary treatment. For those who rely on Medicaid to cover SUD treatment, such a loss may disrupt treatment and [increase overdose](#) or complication risks.



PEER SUPPORT SERVICES

- Peer support specialists are vital in helping people with MH and SUD conditions, especially individuals in crisis. Having personally experienced these challenges, peers use informed expertise to guide patient recovery. Peer-to-peer support is an effective, safe, and cost-effective form of intervention. Specialists can help promote patient empowerment while decreasing the need for unnecessary hospitalizations.
- [Most states](#) offer reimbursement for MH and SUD peer support services under the Medicaid program.

RURAL POPULATIONS AND ACCESS TO BEHAVIORAL HEALTH

- Rural areas face many challenges in accessing behavioral health services with significant shortages of psychiatrists, psychologists, social clinical workers, and other behavioral health specialists. Medicaid is a critical funding source for many rural hospitals and helps to keep these hospitals and their access to behavioral health specialists viable. Since 2010, 74% of rural hospital closures have been in states that did not extend Medicaid coverage to all low-income [adults](#).

PREVENTIVE CARE SAVINGS

- [Medicaid](#) improves access to care and reduces burdens on the health system. Compared to those without insurance, people with Medicaid are more likely to use preventive care (checkups and screenings), be connected to a primary care provider, and receive regular care for chronic conditions. When people receive care in the physician's office, they avoid expensive hospitalizations and the need to use overburdened, understaffed emergency rooms for routine care.

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