

June 25, 2020

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
Washington, DC 20515

The Honorable Charles Schumer  
Minority Leader  
United States Senate  
Washington, DC 20515

Dear Majority Leader McConnell and Leader Schumer:

The Mental Health Liaison Group thanks you for your strong leadership and swift action in helping lead our nation through this unprecedented health and economic crisis. Although we greatly appreciate your efforts over the past few months to help stabilize Medicaid and other vital safety net programs that are supporting and protecting vulnerable low-income patients and care providers in the face of the COVID-19 pandemic, the need for additional federal response is clearly growing, not receding. **We now call on Congress to continue the existing 6.2 percentage point increase and further raise the FMAP by an additional 7.8 percent points as passed by the U.S. House of Representatives in the Health and Economic Recovery Omnibus Emergency Solutions Act (HEROES Act) (H.R. 6800), temporarily extend this additional 14 percentage point increase at least through June of 2021, and retain a strong maintenance of effort provision.**

The initial, temporary 6.2 percentage point increase in the Federal Medical Assistance Percentage (FMAP) enacted as part of the Families First Coronavirus Response Act was an important step in helping to stabilize state Medicaid programs at the outset of the COVID-19 pandemic. However, we now know that it is inadequate to address the extent of need developing throughout the country due to the severity of the economic downturn, massive unemployment, rapidly rising new Medicaid enrollment, and still spreading infection and COVID-19 treatment and testing costs. It is also insufficient to address the dramatic rise in the public's need for mental health care and substance use treatment. **For these reasons, as the National Governors Association and the National Association of Medicaid Directors have explained, the current enhanced FMAP is insufficient and more federal assistance is desperately needed.**<sup>1</sup>

Medicaid is the nation's major health care safety net program, already a lifeline for more than 70 million -- one in five Americans -- before the COVID-19 pandemic. Historically, Medicaid has been one of the most effective tools available to the federal government to help the most vulnerable in our communities survive times of crisis and economic

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<sup>1</sup> NGA Letter to Congress, April 21, 2020, <https://www.nga.org/policy-communications/letters-nga/governors-letter-regarding-covid-19-aid-request/>; NAMD Letter to Congress, April 13, 2020, <https://medicaiddirectors.org/publications/namd-requests-congress-provide-additional-covid-19-resources-to-states-and-providers/>.

hardship.<sup>2</sup> Moreover, raising the FMAP is widely recognized as a proven way to deliver rapid economic relief to states while helping them continue to meet the needs of low-income children, families, older adults, individuals with disabilities, and pregnant women for health care, behavioral health care, and vital services and supports. The current crisis we face is not just economic, as it was in the most recent recession 2008-2010. Rather, it is an extraordinary health care emergency affecting the entire nation with a far more severe impact than the recession and, therefore, we implore you to adjust the FMAP expansion to 14 percentage points.

Due to this pandemic and the commensurate surge in unemployment nationwide, many states' financial circumstances are fast becoming dire. States are now starting to see significantly higher Medicaid enrollment for low-income people while at the same time facing high demand for services and falling state revenues. Thirty-eight million people have lost their jobs since COVID-19 was declared a public health emergency in March 2020. Nearly half – 17 million people – are estimated to be eligible for Medicaid over the course of the economic downturn.<sup>3</sup> Based on economic forecasting from the Congressional Budget Office, the Federal Reserve, and Wall Street, experts are predicting serious state budget shortfalls of as much as \$615 billion over the next three years.<sup>4</sup> In fact, many states are already initiating devastating cuts:

- California is proposing big cuts to Medicaid, including eliminating the Medicaid benefit of screening, brief intervention and referral to treatment for substance use (SBIRT);
- Ohio is proposing \$210 million in across-the-board Medicaid cuts;
- Oregon is proposing \$64 million in Medicaid cuts and another \$69 million in state behavioral health funding;
- Colorado is proposing more than \$600,000 in cuts to the state's Office of Behavioral Health this year, and large across-the-board cuts next year although it is expecting nearly half a million more Medicaid enrollees;
- More states considering cuts include: Arizona, Georgia, Hawaii, Kentucky, Indiana, Maine, Michigan, Minnesota, Missouri, New Hampshire, New Mexico, New York, Nevada, North Carolina, Utah, Texas, Virginia, Washington, and Wisconsin, and more are expected to follow suit.<sup>5</sup>

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<sup>2</sup> MACPAC, Medicaid's Role in Disasters and Public Health Emergencies (2018).

<sup>3</sup> Robin Rudowitz and Elizabeth Hinton, Early Look at Medicaid Spending and Enrollment Trends Amid COVID-19, Kaiser Family Foundation (May 15, 2020), retrieved at <https://www.kff.org/coronavirus-covid-19/issue-brief/early-look-at-medicaid-spending-and-enrollment-trends-amid-covid-19/>.

<sup>4</sup> Elizabeth McNichol and Michael Leachman, Center on Budget and Policy Priorities, States Continue to Face Large Shortfalls Due to COVID-19 Effects (June 15, 2020), <https://www.cbpp.org/research/state-budget-and-tax/states-continue-to-face-large-shortfalls-due-to-covid-19-effects>

<sup>5</sup> Rachel Roubain and Dan Goldberg, States Cut Medicaid Programs, Politico (May 5, 2020), retrieved at <https://www.politico.com/news/2020/05/05/states-cut-medicaid-programs-239208>; see also Michael Ollove, Pew Trusts, Medicaid Rolls Surge Adding to

However, with additional federal support, deep cuts in state Medicaid programs are not inevitable and can be – indeed must be -- prevented. Maintaining a strong Medicaid program is particularly crucial for the millions of Americans who rely on Medicaid to cover their mental health and substance use care and to address the surging mental health fallout from the pandemic. Medicaid is already the single largest payer of mental health and addiction treatment services in the country, covering nearly one-quarter of all patients with mental health needs, more than one-quarter of patients with serious mental illness, and nearly one-fifth of all patients with substance use disorders.<sup>6</sup>

Medicaid's role in supporting behavioral health care is vital to those who qualify for Medicaid on the basis of a disability given that approximately fifty percent of adults and 47 percent of children eligible for Medicaid based on a disability have a behavioral health diagnosis. Additionally, among Medicaid beneficiaries with behavioral health conditions (excluding those who also qualify for Medicare), over four in 10 adults and one in six children are eligible for Medicaid based on having a disability.<sup>7</sup>

Sustaining state Medicaid programs and their ability to cover behavioral health care will be critical in addressing the declining mental health of the public, a major consequence of this pandemic. COVID-19 has increased anxiety, fear, isolation and grief in the general public, leading to a widespread decline in mental health and an increase in substance use, including surging fatal overdoses in some areas. A recent Kaiser Family Foundation poll found that 45 percent of adults say their mental health has been affected by the pandemic while 19 percent report that it has had a major impact, and the Substance Abuse and Mental Health Services Administration's distress hotline recorded a nearly 1000 percent increase in calls this April compared to April 2019.

Yet, behavioral health providers do not have the funds they need to sustain their current operations much less respond to surging demand for more services. According to a survey of 880 behavioral health provider organizations across the country, 62 percent believe they can only survive financially for a few more months under current conditions, 45 percent report that they intend to or already have laid off or furloughed staff, and 92 percent have reduced their operations.<sup>8</sup> These providers are already having trouble

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Budget Woes, (June 16, 2020), <https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2020/06/16/medicaid-rolls-surge-adding-to-budget-woes>.

<sup>6</sup> KFF, Medicaid's Role in Behavioral Health (2017), <https://www.kff.org/infographic/medicaids-role-in-behavioral-health/>.

<sup>7</sup> KFF, Medicaid's Role in Financing Behavioral Health for Low-Income Individuals (2017), <https://www.kff.org/medicaid/issue-brief/medicaids-role-in-financing-behavioral-health-services-for-low-income-individuals/>.

<sup>8</sup> National Council for Behavioral Health, Press Release (April 16, 2020), <https://www.thenationalcouncil.org/press-releases/behavioral-health-crisis-in-america-getting-worse-as-covid-19-forces-community-behavioral-health-care-organizations-to-cut-back/>.

continuing their operations, and most assuredly cannot continue providing care if Medicaid provider rates for behavioral health are reduced even further. The additional increase in the FMAP is urgently needed to stave off state cuts to Medicaid, support the surge in Medicaid enrollment, and ensure the continuation of vital state Medicaid waivers and state plan amendments to respond more effectively to the pandemic and access to care for people who struggle with mental illness and substance use conditions. Raising the temporary FMAP expansion to a total 14 percent point increase and ensuring its continuation through at least June 30, 2021, while preserving a strong maintenance-of-effort protection, urgently needed to prevent cuts to coverage, services, and provider rates, and is needed to address the extensive repercussions from the pandemic. These repercussions most certainly will include the mental health and substance use effects that will worsen as the emergency continues and as Americans continue to experience the extreme challenges of social isolation and high unemployment.

**We urge Congress to act swiftly to provide the needed additional federal support and pass this additional FMAP increase into law.**

Sincerely,

2020 Mom

American Academy of Child and Adolescent Psychiatry  
American Art Therapy Association  
American Association for Geriatric Psychiatry  
American Association for Marriage and Family Therapy  
American Association for Psychoanalysis in Clinical Social Work  
American Association of Child and Adolescent Psychiatry  
American Association of Suicidology  
American Association on Health and Disability  
American Dance Therapy Association  
American Foundation for Suicide Prevention  
American Group Psychotherapy Association  
American Mental Health Counselors Association  
American Nurses Association  
American Psychiatric Association  
American Psychological Association  
American Society of Addiction Medicine  
Anxiety and Depression Association of America  
Association for Ambulatory Behavioral Healthcare  
Association for Behavioral and Cognitive Therapies  
Association for Behavioral Health and Wellness  
Association for Behavioral Health and Wellness  
Center Road Solutions

Children and Adults with Attention-Deficit/Hyperactivity Disorder  
Children's Hospital Association  
Clinical Social Work Association  
College of Psychiatric and Neurologic Pharmacists (CPNP)  
Confederation of Independent Psychoanalytic Societies  
Depression and Bipolar Support Alliance  
Eating Disorders Coalition for Research, Policy & Action  
Girls Inc.  
Global Alliance for Behavioral Health and Social Justice  
International OCD Foundation  
The Jewish Federations of North America  
The Kennedy Forum  
Lakeshore Foundation  
Legal Action Center  
Maternal Mental Health Leadership Alliance  
Mental Health America  
NAADAC, the Association for Addiction Professionals  
National Alliance on Mental Illness  
National Association for Children's Behavioral Health  
National Association of County Behavioral Health and Developmental Disability Directors  
National Association for Rural Mental Health  
National Association of Social Workers  
National Association of State Mental Health Program Directors  
National Health Care for the Homeless Council  
National League for Nursing  
National Register of Health Service Psychologists  
Network of Jewish Human Service Agencies\*  
Psychotherapy Action Network  
Residential Eating Disorders Consortium  
School Social Work Association of America  
SMART Recovery  
The National Alliance to Advance Adolescent Health  
Treatment Communities of America  
Trinity Health

\*Indicates not a MHLG member