



New Jersey Mental Health Coalition

Association of Care
Management Organizations

Coalition of Mental Health
Consumer Organizations

Collaborative
Support Programs of NJ

Community Health
Law Project

Disability Rights NJ

Mental Health Association
in New Jersey

National Alliance on Mental
Illness NJ

NJ Association of
County Mental Health
Administrators

NJ Association of Mental
Health and Addiction
Agencies

NJ Psychiatric
Rehabilitation Association

Supportive Housing
Association of NJ

To: New Jersey Federal Congressional Delegation
Members of the New Jersey Senate and General Assembly

From: New Jersey Mental Health Coalition

Date: April 11, 2025

Dear Legislators:

The New Jersey Mental Health Coalition is a collaborative of eleven statewide mental health consumer, provider, and advocacy organizations concerned with New Jersey's public mental health system and the mental health needs of New Jersey's citizens.

Thank you for representing the residents of New Jersey. We are writing to you to reinforce how concerned we are about the potential cuts to Medicaid and what that will do to the individuals we serve.

While you have heard from many of our organizations individually and from our national affiliates, we wanted to ensure you are aware that we are united in opposing these proposed federal budget cuts which would result in devastating losses of vital funding.

Below are some facts that must be considered.

Current Medicaid Statistics

- Medicaid is playing a key role in addressing the [overdose crisis](#) as it is the single largest payer of mental health and substance use care in the country. Although [U.S. overdose deaths](#) decreased in 2023 for the first time since 2018, the U.S. is still losing nearly 300 people a day to drug overdose.
- Over half of all Medicaid spending goes toward services for the elderly and people with disabilities. Medicaid covers services critical to their health and independence, like help in their homes with activities of daily living, medical equipment (e.g. wheelchairs), and nursing home care.
- Nearly 20% of the roughly 60 million Americans living in rural communities rely on Medicaid for health care coverage. 47% of children in rural areas are enrolled in Medicaid or the Children's Health Insurance Programs (CHIP).
- The amount of waste, fraud or abuse in Medicaid is miniscule. The overwhelming majority ([95%](#)) of Medicaid payments are proper. Of the 5% of "improper" payments made, 80% of them were because of administrative issues, not because of fraud or intentional misuse.

Impact of Medicaid Expansion (Expanded Eligibility through the ACA)

- Close to 30% of [people receiving coverage through the Medicaid expansion](#) of eligibility have an mental health condition and/or an substance use disorder.
- Medicaid expansion in particular has generated important [health and economic benefits](#), including reduced mortality and improved financial well-being, for the adults newly gaining coverage.
- Medicaid expansion of eligibility [has significantly increased](#) outpatient and preventive care, reduced emergency department use and medication lapses due to cost, and improved self-reported health.
- [States that expanded Medicaid eligibility](#) saw improvements in access to medications and services for mental health conditions and substance use disorders after expansion.
- Medicaid expansion of eligibility decreased [suicide mortality](#) by increasing access to behavioral health coverage.

Comments on Proposed Cuts

- We have great concerns about the committee that oversees Medicaid being directed to find \$880 billion in funding cuts, and what that could mean for communities' ability to thrive and healthcare providers' ability to deliver necessary health services.
- It's impossible for the House Energy and Commerce (E&C) Committee to reduce spending by \$880 billion over 10 years without cutting Medicaid or Medicare. [According to the Congressional Budget Office](#), there is only \$381 billion of spending under E&C's jurisdiction that is NOT Medicaid, CHIP, or Medicare. That means if all spending besides Medicaid was eliminated, the Committee would still need to cut \$500 billion from Medicaid or CHIP. Medicare is thought to be off limits for cuts.

Impact on NJ FamilyCare, New Jersey's Medicaid Program

- Eliminating or reducing the amount of funding the federal government pays for Medicaid expansion would cause New Jersey to likely end the ACA Medicaid Expansion. That means up to [776,000 people](#) in New Jersey would lose insurance coverage.
 - This would impact working poor individuals and families (their income is between 100% and 138% of the federal poverty level).
 - Many of them receive mental health and substance use disorder treatment and would be at risk of overdose or suicide if they lose access to care.
 - Many hospitals are reliant on Medicaid expansion to stay solvent and remain open. Most of these hospitals are in rural and underserved communities.
- Implementing “per capita caps” on federal Medicaid funding would result in New Jersey losing [\\$14 billion in funding](#) over the next decade.
 - If the Medicaid expansion federal rate was eliminated too, that number would balloon to \$33 billion. The state would be forced to either cut services and programs drastically or significantly raise taxes to make up the difference.
- Eliminating or reducing the rate at which the federal government matches state Medicaid dollars, currently set between 50 – 83% depending on state’s per capita income, would cause an annual loss of up to [\\$2.2 billion](#) in federal funding for New Jersey by decreasing our current 50% rate to 38%.
- Implementing work requirements would put up to [700,000 low-income](#) working age adult’s NJ FamilyCare coverage and \$250 million in federal funding at risk.
 - Members with behavioral health conditions, certain disabilities, and members caring for relatives are particularly at risk.
 - Two states that have imposed Medicaid work requirements, Arkansas and Georgia, saw tens of thousands of eligible enrollees lose coverage and high administrative costs.
 - Of those disenrolled in Arkansas, [97%](#) were compliant or had exemptions but still lost coverage. That is, they lost coverage for administrative reasons.
- The federal government currently matches revenue generated from targeted taxes on healthcare plans and providers to reinvest into the state healthcare system. Provider tax rates are set with a ceiling of 6% of healthcare plan or provider revenue. If this ceiling was reduced or the tax was eliminated entirely by Congress, NJ FamilyCare and hospital reinvestment programs like the County Option, HMO Premium Assessment, Hospital Assessment, and Nursing Home Assessments would lose up to [\\$3.39 billion](#) in federal funding annually.

- Directed payments are add-on payments from managed care providers to healthcare providers required by most states to improve quality of care and support training. If Congress were to restrict directed payments or eliminate them entirely, NJ FamilyCare and hospital reinvestment programs like the NJ Medicaid Access to Physician Services Program, QIP-NJ, and Outpatient Supplemental Payment Program would lose up to [\\$756 million](#) in federal funding annually.

To our federal legislators, we urge you to vote against any bill that would negatively impact Medicaid beneficiaries and decimate the state budget.

To our New Jersey state legislators, we ask for your continued advocacy to your federal colleagues to protect the Medicaid budget and services.

Sincerely,

Barbara Johnston, Chair

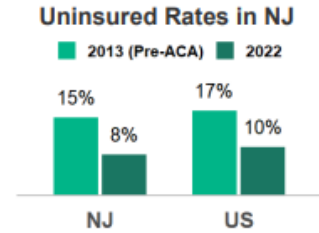
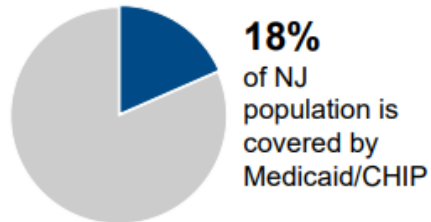
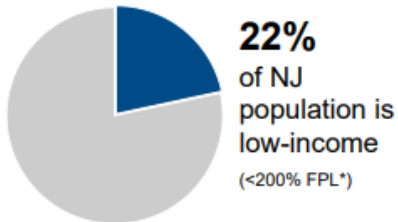
Submitted on behalf of the New Jersey Mental Health Coalition (Members listed below)

New Jersey Mental Health Coalition Members		
Organization	Contact	Email
Association of Care Management Organizations	Suzanne S. Kreie	sskreie@coordinatedfamilycare.com
Coalition of Mental Health Consumer Organizations	Wayne Vivian	COMHCO@aol.com
Collaborative Support Programs of New Jersey	Heather Simms	hsimms@cspnj.org
Community Health Law Project	Erika Kerber Sean Benoit	EKerber@chlp.org SBenoit@chlp.org
Disability Rights New Jersey	Gwen Orlowski Elena Kravitz	gorlowski@drnj.org ekravitz@drnj.org
Mental Health Association in New Jersey	Carolyn Beauchamp Barbara Johnston*	cbeauchamp@mhanj.org bjohnston@mhanj.org
National Alliance on Mental Illness New Jersey	Meredith Blount Matt Camarda	mblount@naminj.org mcamarda@naminj.org
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NJ Association of Mental Health and Addiction Agencies	Debra Wentz Shauna Moses Mary Abrams	Dwentz@njamhaa.org Smoses@njamhaa.org Mabrams@njamhaa.org
NJ Psychiatric Rehabilitation Association	Carol Dean	cdean@newbridge.org
Supportive Housing Association of New Jersey	Kate Kelly	kate.kelly@shanj.org

***Chair, NJ Mental Health Coalition**

Addendum, From the Kaiser Family Foundation's August 2024 "[Medicaid in New Jersey](#)"

1,937,011 enrolled in NJ Medicaid

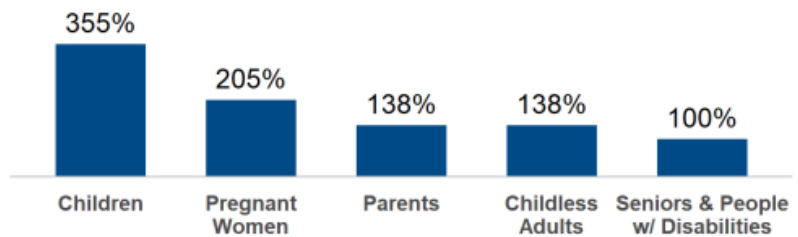


NJ Expansion Status:

Adopted

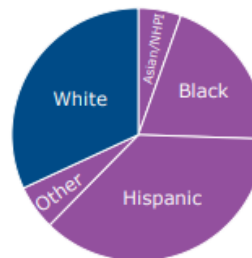
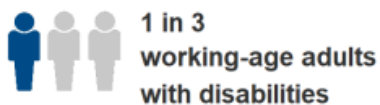
Adults in
Expansion Group:
776,000

Eligibility Levels as a % of FPL*



*100% of Federal Poverty Level (FPL): \$25,820 for a family of three; \$15,060 for an individual

In NJ, Medicaid Covers:

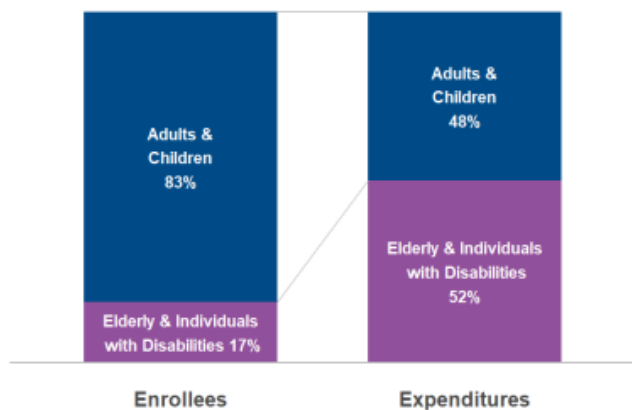


68%
of non-elderly
Medicaid enrollees
in NJ are people of
color

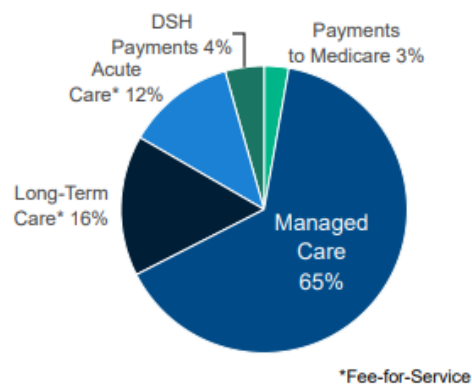
64%
of adults in NJ on
Medicaid are
working



Medicaid Enrollees & Expenditures in NJ



Total NJ Medicaid Spending by Service: \$21.2 billion



30%
of births in
NJ are
covered by
Medicaid

New Jersey **has adopted** the
Medicaid 12-month postpartum
coverage extension

Medicaid Coverage of Women Ages 15–49

