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President Trump released his FY 2019 budget proposal that restructures the Medicaid program and cuts other critical mental health programs and services. Many in the field think his proposal is a rehash of last year's attempts by lawmakers to overhaul the Affordable Care Act (ACA) and dismantle the Medicaid program.

While the White House budget includes funding for opioid treatment and an expansion of the Certified Community Behavioral Health Clinics (CCBHC) demonstration project, there are other concerns for the field. The White House budget request includes ending the Medicaid expansion and cutting \$83 billion to Social Security over 10 years. It also implements work requirements for Medicaid beneficiaries and increased cost-sharing.

The proposal would cut \$112 million to mental health programs of regional and national significance. About \$50 million of that funding is from primary behavioral health integration.

"We're right back where we were last year," Ron Manderscheid, Ph.D., executive director of the National Association of County Behavioral Health and Developmental Disability Directors, told MHW. "We need to be careful and we need to hang on to what we have."

Manderscheid pointed to the field's successful endeavor last year in its partnership with the general health community to present a strong unified voice to respond to numerous legislative bills to slash funding for Medicaid and take away key provisions from the ACA. "I hope we're able to respond [similarly] to this proposal, which in my opinion would be devastating to behavioral health care," he said.

Trump is proposing to block grant the Medicaid program, which the field vigorously opposed last year, he said. "As soon as you block grant it, the value of the money is going down," said Manderscheid.

The proposal would narrow down services for people with serious mental illness, both children and adults, and many people could end up in jail or homeless, he said. "You're giving money to the state to take care of people who can't afford insurance," said Manderscheid. "The concept is the problem."

Proposed funding

Funding for the Substance Abuse and Mental Health Services Administration's (SAMHSA's) Community Mental Health Block Grant would be level-funded at \$563 million, according to a budget report prepared by the National Alliance on Mental Illness (NAMI). The Substance Abuse Prevention and Treatment Block Grant is also level-funded.

Under the proposal, the Projects for Assistance in Transition from Homelessness would receive \$65 million, representing no change from the 2017 enacted budget.

Among the proposal's provisions, veterans' mental health and suicide prevention would receive \$8.6 billion, meaning a \$468 million increase over FY 2018.

The National Institutes of Health (NIH) would receive \$23.75 billion, representing an \$8.96 billion cut from the current year's level. The president's addendum adds \$9.2 billion, which restores NIH to the 2017 enacted budget level.

Of the U.S. Department of Health and Human Services set-aside for opioids and serious mental illness, the budget proposes \$750 million for the NIH: \$400 million for the NIH's public-private partnership on opioids and \$350 million for research on opioids, serious mental illness and pain.

Medicare

The president's proposal calls for implementing Medicare payment reform. The Medicare program is very important for people with mental illness, Manderscheid said. Many of the beneficiaries are dual-eligible for Medicaid, he said. "That makes mental health available to not only young people who are dually eligible, but also the elderly who have mental health conditions," Manderscheid said.

The Medicare copay for mental health beneficiaries was 50 percent for 50 years, compared to where it is today at 20 percent, Manderscheid said. "The field fought and got it changed," he said. "We've got to keep fighting to keep what we have here and not lose ground."

More field feedback

While there are some good things in the president's proposals, there are also some troubling provisions as well, such as an attempt to restructure Medicaid, said Andrew Sperling, director of legislative and policy advocacy at NAMI. "It endorses the Graham/Cassidy [legislation], which is not a good thing," Sperling told MHW, referring to one of last year's attempts to roll back the ACA. The repeal legislation was authored by Sens. Lindsay Graham (R-South Carolina) and Bill Cassidy (R-Louisiana).

The per capita caps on Medicaid are also very troubling, noted Sperling. The block grant approaches and per-capita caps could reduce funding for mental health services and supports, according to NAMI.

The budget also proposes to cut \$83 billion to Social Security over 10 years, including \$70 billion in proposed cuts to disability programs. Trump's proposal would promote demonstration programs that increase the number of people on Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) in the workforce. The proposal would cut \$48.4 billion. The rule changes to SSI and SSDI are very troubling, said Sperling.

"The good thing is that the administration is getting on board and adding more resources for mental health and opioid treatment," said Sperling, adding that there's still some confusion about the specific funding sources.

The question, said Sperling, is whether the proposed \$10 billion is on top of money Congress is already allocating (\$2 billion from the 21st Century Cures Act) and the \$6 billion allocated over FY 2018/19 in Congress's two-year budget agreement. At this point, it's not clear about the actual funding source, he said. (Congress earlier this month reached a two-year budget deal that boosted federal government spending and averted a government shut-down.)

Sperling noted that the president's proposal has often been deemed "dead on arrival." "There's some truth to that," he said. "In the end, Congress will decide, not the president."

CCBHC

The National Council for Behavioral Health issued a statement on the president's budget proposal welcoming the administration's commitment to expand access to community-based addiction and mental health treatment via the CCBHC demonstration.

The National Council noted that since mid-2017 the CCBHCs have supported community providers in dramatically expanding Americans' access to timely, evidence-based addiction and mental health treatment in their communities. Just seven months into the program, participating clinics have been able to increase patient caseload, expand or initiate additional treatment services and implement new care coordination partnerships with hospitals and law enforcement agencies.

The National Council also indicated that CCBHCs cannot carry forward if programs like Medicaid, which provide a crucial source of coverage for mental illness and addiction, are "decimated."

“We’re disappointed that the president continues to bang this drum after Congress failed to move this legislation,” said Chuck Ingoglia, senior vice president of public policy and practice improvement for the National Council, in an interview with MHW last week. Ingoglia pointed to the Medicaid restructuring proposals legislators tried to push last year. “There’s no indication that Congress is advancing that idea,” he said.

Ingoglia said the recent two-year budget deal Congress reached sets much higher numbers for the appropriations committees. Ingoglia said he believes Congress will be very quick in reaching a deal on FY 2018, which may more likely be the framework lawmakers will use for FY 2019.

“It’s very unlikely the cuts to SAMHSA will see the light of day,” said Ingoglia. SAMHSA has not released its budget justification yet, he said. So far, only the high-level numbers have been revealed, he said.

The president’s budget proposal regarding Medicaid would require separate legislation from Congress in order to move forward, he said.