

Medicaid is a joint federal-state program that provides health insurance coverage to nearly 10 million Americans living with mental health and substance use conditions. Medicaid includes a core set of federal requirements that states must follow, while also providing broad latitude in designing their programs.

Federal law also allows states to waive certain federal requirements through 1115 waiver applications. These applications are submitted to the Center for Medicare and Medicaid Services (CMS). These waivers allow states to expand Medicaid eligibility, provide services not typically covered and use innovative service delivery systems.

The Secretary of Health and Human Services (HHS) has broad authority to approve state 1115 demonstration waiver applications.¹ Recently, the Secretary of HHS and the CMS Administrator sent a joint letter to Governors encouraging them to submit waiver applications and announcing more freedom to states in designing their Medicaid programs.

The Secretary's letter and several of the 1115 waiver applications that states have submitted raise concerns for individuals living with mental health conditions. Here are key areas of concern:

Work Requirements

Under these requirements, Medicaid enrollees would have to work as a condition of receiving coverage. Some proposed waivers allow Medicaid enrollees to use school, job training programs or community service to meet the work requirements. Many proposed waivers exempt children, people with disabilities, pregnant women and others deemed unable to work, however concerns remain. Here are key areas of concern with work requirements:

- **Questions on Effectiveness.** Studies of work-requirements in other public benefit programs showed that participants faced significant barriers in finding and maintaining employment, the requirements did not lead to long-term, stable employment and the number of participants living in deep poverty increased in these programs.ⁱ
- **Lack of Consistent Definitions.** People with disabilities are commonly exempt from work requirements, however definitions of *disability* vary widely and do not capture people with complex health needs.
- **High Administrative Costs and Barriers.** States would face high administrative costs in tracking employment and monitoring the program.ⁱⁱ Also, determining and tracking exemptions is administratively complex, costly and threatens to create barriers to coverage and care.

Rather than impose work requirements, states should be encouraged to fund evidence-based supported employment programs that promote recovery, independence and get people with mental health conditions back to work.²

¹ To learn more about Medicaid 1115 Demonstration Waivers, visit <https://www.medicaid.gov/medicaid/section-1115-demo/index.html>

² See NAMI's employment report: <https://www.nami.org/About-NAMI/Publications-Reports/Public-Policy-Reports/RoadtoRecovery.pdf>

Non-Emergency Medical Transportation

Non-Emergency Medical Transportation (NEMT) services provide Medicaid recipients with transportation to and from medical appointments. These Medicaid services are an essential link to mental health care especially for people living in rural and underserved communities.

Each year nearly 3.6 million people miss or delay access to care because they do not have affordable, reliable transportation.ⁱⁱⁱ The most common reason people requested transportation was for a mental health or substance use appointment.^{iv} Several states have adopted NEMT waivers, despite posing significant barriers to care for people with mental health conditions.

Premiums and Cost-Sharing

These provisions exist in 1115 waivers in several states. Premiums that must be paid upfront often prevent people who need coverage from enrolling in Medicaid and cost-sharing payments often prevent people from seeking needed care.^v Delays and disruptions in care, stemming from enrollment premiums and requiring cost-sharing payments can derail recovery and increase long-term state costs.^{vi} Whereas, access to comprehensive, consistent mental health care improves outcomes and keeps lives on track.

Lockout Provisions

These provisions would mean that people who do not make required payments or meet other conditions would be locked out of participating in Medicaid for a set time. Lockout provisions cause disruptions in health coverage, create barriers to care and increase the likelihood of poor outcomes. This often leads to more costly care and needlessly creates instability for individuals and families.

Lifetime Limits

These provisions cap the total number of years a person can be enrolled in Medicaid. These limits place the health and well-being of people with mental health conditions at great risk and threaten to drive up health care costs forcing people to seek far more costly care in emergency rooms and hospitals. Cutting people off from Medicaid when they reach lifetime caps also threatens to significantly drive up state and local community costs in criminal justice, homeless services, uncompensated care and more.

What Can You Do?

- **Be on the Lookout:** more states are likely to seek waivers now that HHS and CMS are encouraging states to apply and giving them more freedom to design their programs.
- **Provide Input:** states are required to provide a 30-day comment period for public input before submitting a waiver application. Once the waiver application is complete and submitted, there is also a 30-day federal comment period for any interested stakeholders.
- **Collaborate:** Consider working with mental health coalitions and other stakeholder groups reviewing and commenting on Medicaid waiver applications.
- **Reach Out:** NAMI works with a national waiver task force and coalitions that routinely review and comment on state Medicaid waiver applications. Please contact Dania Douglas (ddouglas@nami.org) if you would like additional information and resources on Medicaid Waivers.

ⁱ LaDonna Pavetti, Center for Budget and Policy Priorities, *Work Requirements Don't Cut Poverty Evidence Shows*, <http://www.cbpp.org/research/poverty-and-inequality/work-requirements-dont-cut-poverty-evidence-shows> (June 2016).

ⁱⁱ Jane Perkins, Mara Youdelman & Ian McDonald, National Health Law Program, *Work Requirements: Not a Healthy Choice*, http://www.healthlaw.org/publications/browse-all-publications/medicaid-work-requirements-not-a-healthy-choice#.WPUhO_krLcs (March 21, 2017).

ⁱⁱⁱ Mary Beth Musumeci & Robin Rudowitz, Kaiser Family Foundation, *Medicaid Non-Emergency Medical Transportation: Overview and Key Issues in Medicaid Expansion Waivers*, <http://kff.org/medicaid/issue-brief/medicaid-non-emergency-medical-transportation-overview-and-key-issues-in-medicaid-expansion-waivers/> (February 24, 2016).

^{iv} Mary Beth Musumeci & Robin Rudowitz, Kaiser Family Foundation, *Medicaid Non-Emergency Medical Transportation: Overview and Key Issues in Medicaid Expansion Waivers*, <http://kff.org/medicaid/issue-brief/medicaid-non-emergency-medical-transportation-overview-and-key-issues-in-medicaid-expansion-waivers/> (February 24, 2016).

^v Laura Snyder & Robin Rudowitz, Kaiser Family Foundation, *Premiums and Cost Sharing in Medicaid: A Review of the Research Findings*, <https://kaiserfamilyfoundation.files.wordpress.com/2013/02/8417-premiums-and-cost-sharing-in-medicaid.pdf>.

^{vi} See, e.g., National Institute of Mental Health, Recovery After Initial Schizophrenia Episode, <https://ftp.nimh.nih.gov/health/topics/schizophrenia/raise/index.shtml> (last visited Oct. 4, 2016); Substance Abuse and Mental Health Services Administration, Prevention of Substance Abuse and Mental Illness, www.samhsa.gov/prevention (last visited October 4, 2016).