May 25, 2016

The Honorable Sylvia Mathews Burwell, Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Burwell,

We write in response to your request for public comments on Missouri's proposal to offer an expanded set health benefits to a limited number of residents through a Section 1115 Medicaid demonstration, known as the Missouri Mental Health Crisis Prevention Program. We commend Missouri for taking steps to provide integrated mental health and substance use disorder treatment services to low-income, uninsured young adults. We believe, however, that the proposal's arbitrary cap on the total number of eligible residents who could receive funding in each demonstration year undermines the stated purpose of the demonstration to provide behavioral health treatment to those for whom it could be most beneficial. The cap on the total number of eligible individuals who could receive waiver benefits is antithetical to the fundamental structure of the Medicaid program, which provides services to all eligible individuals who qualify. We urge you to reject caps on enrollment in the Missouri proposal and all similar proposals.

Missouri's goal is laudable: to identify young adults in crisis and provide treatment to improve their health and prevent future crises. The most efficient and cost-effective path for the state to achieve these goals would be to fully expand Medicaid to all those with incomes below 138 percent of the poverty line.

Prior to health reform, Medicaid programs treated non-disabled, non-pregnant adults under 65 who were not caring for a dependent child as an "expansion group" because they could not be covered under the state Medicaid plan. Under these waivers, the number of individuals or amount of funding for services could be capped in order to comply with budget neutrality requirements. These waivers also treated childless adults as individuals outside the statutory protections that apply to the Medicaid population whose coverage is authorized under the Medicaid law. Given the states' ability to expand Medicaid to all low-income individuals and families, caps in enrollment or funding should not be approved for any waiver covering the population currently authorized by the Medicaid statute, including the expansion population.

This proposal bears resemblance to Missouri's successful health homes initiative, the first of its kind in the nation, through which the state provides care coordination to individuals diagnosed with a serious mental illness. Early data from Missouri's health homes program show a significant decrease in emergency department visits and preventable hospitalizations for both the physical and behavioral health groups.[1] Similar to Missouri's current proposal, its innovative health homes program provides a limited set of benefits to individuals in need of mental health services. However, unlike the current proposal, these services are available to everyone who meets the clinical eligibility

[1] Kathy Moses and Brianna Ensslin, "Seizing the Opportunity: Early Medicaid Health Home Lessons," Center for Health Care Strategies, March 2014, http://www.chcs.org/media/Seizing_the_Opportunity-_Early_Medicaid_Health_Home_Lessons.pdf.

criteria. Missouri should draw on this success to ensure that all those who are clinically eligible for their proposed set of behavioral health benefits can access them.

Missouri's proposal states that the proposed 1000-person cap is due to a lack of state appropriations. However, the state also proposes to comply with the budget neutrality requirements by noting that individuals who receive these services are less likely to become eligible for Medicaid due to a disability, which will prevent future Medicaid expenditures and save money for the state and federal government. Missouri argues that, "By the time many people become Medicaid eligible, their mental health has deteriorated to the point that services are far more costly, and additional services become necessary such as housing, day treatment, and other community supports."

The value of early intervention and resulting cost savings that are likely to occur as a result of these targeted services contradict the state's budgetary concerns which should not prevent all eligible individuals from receiving these services — in fact, the cost savings described by the state should support a broader proposal that provides these services to all eligible individuals and more generally support expansion of Medicaid eligibility. As noted in the proposal, Missouri emergency departments treated 86,000 individuals with a primary diagnosis of mental illness in 2012. While some of these individuals were undoubtedly covered by Medicaid or other sources of coverage, presumably more than 1.2 percent of them would meet the criteria described in this proposal and would greatly benefit from the important services it would provide as well as securing cost savings in the form of reduced future Medicaid expenditures.

Thank you for your willingness to consider our comments. If you would like any additional information, please contact Judy Solomon (solomon@cbpp.org) or Joan Alker jca25@georgetown.edu).