



July 15, 2017

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

Re: Wisconsin's Section 1115 Demonstration Waiver Amendment Application for the BadgerCare Reform Demonstration Project

Dear Secretary Price:

NAMI Wisconsin would like to thank you for this opportunity to provide comments on Wisconsin's Section 1115 Demonstration Waiver Amendment Application for the BadgerCare Reform Demonstration Project. NAMI (the National Alliance on Mental Illness) is the nation's largest grassroots mental health organization providing advocacy, education, support and public awareness. NAMI Wisconsin is the state affiliate of NAMI and supports over 30 local chapters. Together, our mission is to build better lives for all who are affected by mental illness.

We work to support individuals and families, many of which are served by Medicaid, as Medicaid is the largest provider of mental health services. Although we recognize and appreciate that people with mental illness would be specifically exempt from some parts of the waiver, we remain concerned about the definitions of disability and the impact this waiver will have on extremely vulnerable individuals.

NAMI Wisconsin's reach includes homeless populations who may not have had consistent access to healthcare for years, victims of domestic violence who have experienced trauma, individuals with co-occurring mental health and substance use disorders and individuals without a medical diagnosis of mental illness who experience psychiatric symptoms and daily struggles. We will address provisions of the waiver individually.

1. Monthly Premiums and Cost-Sharing

The proposed Wisconsin amendment would require individuals and families with incomes between 51%-100% of the Federal Poverty Level (FPL) to pay an \$8 monthly premium or risk losing Medicaid coverage for up to six months. Even low premiums, if they must be paid in advance, often keep people who need care from enrolling in Medicaid and cost-sharing payments have also been shown to prevent people from seeking needed treatment.¹ In addition, many

¹ Medicaid 1115 Demonstration Waivers: <https://www.medicaid.gov/medicaid/section-1115-demo/index.html>

recipients are likely to experience logistical problems paying premiums due to lack of access to a bank account, credit card or other means of payment. The cost of transportation to get a money order may cause some individuals to miss payments. Continuity of coverage and care are critical to advance the often precarious process of recovery from mental illness. Even a brief lapse in treatment can precipitate a downward spiral, undoing years of progress.

NAMI opposes the proposed \$8 copayment for emergency department use because of the harm it may cause to beneficiaries with mental illness. When experiencing a mental health crisis, individuals may be ambivalent about seeking care even when it is desperately needed. Any barrier to emergency care has the potential to threaten recovery and the safety of the individual or others.

Delays and disruptions in care, stemming from lapsed enrollment premiums and cost-sharing payments are not only likely to derail recovery; they also increase long-term costs. Instead, CMS should urge the State to increase access to comprehensive, consistent mental health care to promote recovery and effectively invest public dollars.²

2. Health Behavior Incentives and Health Risk Assessments (HRA)

People with mental illness want to lead healthy lives, both mentally and physically, and can do so with prompt, effective support. However, in many cases living with a mental illness affects other areas of health. The lifespan of people with mental illness is shorter than the general population, mostly due to preventable chronic conditions.³

People with mental health conditions have a high rate of smoking, for example. Nationwide, 44.3% of all cigarettes are consumed by individuals with mental illness and/or substance abuse disorders. People with schizophrenia are three to four times more likely to smoke than the general population.⁴ NAMI advocates at the federal, state and local level for access to smoking cessation programs and recognizes the challenges people with mental illness face in quitting.

Weight gain is another health risk that many people with mental illness struggle with, especially when taking some psychiatric medications. We are concerned that HRA will cause people to lose coverage through no fault of their own, by simply adhering to their treatment regimen.

NAMI Wisconsin supports the goal of increasing healthy behaviors. However, we oppose excluding recipients from the premium reductions if they cannot meet these standards due to their conditions.

3. Time Limit on Medicaid Eligibility and Work Requirements

² Dey, J; Rosenoff, E; West, K (March, 2016) *Benefits of Medicaid Expansion for Behavioral Health*. HHS/ASPE. <https://aspe.hhs.gov/system/files/pdf/190506/BHMedicaidExpansion.pdf>

³ Hert et al (Feb. 2011) Physical illness in patients with severe mental disorders. I. Prevalence, impact of medications and disparities in health care. *World Psychiatry*. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3048500/>

⁴ Smoking and smoking cessation: <https://www.nami.org/Learn-More/Mental-Health-Public-Policy/Tobacco-and-Smoking>

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.

Although people with disabilities, including mental illness are specifically exempt from this section of the waiver, NAMI Wisconsin remains concerned about the effect on those who do not yet have a psychiatric diagnosis, particularly young adults with emerging psychosis and other vulnerable populations we serve such as homeless individuals. The key areas of concern with work requirements are:

- *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 in fact the number of participants living in deep poverty *increased*.⁵
- *Lack of Consistent Definitions.* Although people with mental illness and other disabilities are exempt from work requirements, definitions of *disability* often exclude people with complex health needs who have not yet obtained a psychiatric diagnosis. It can be difficult for people to gather the documentation necessary to prove that they are unable to work, particularly if they have not undergone the disability determination process.
- *High Administrative Costs and Barriers.* Wisconsin would face high administrative costs in tracking employment and monitoring the program.⁶ Also, determining and tracking exemptions is administratively complex, costly and threatens to create barriers to coverage and care. Rather than impose work requirements, Wisconsin should fund and encourage *voluntary* participation in evidence-based supported employment programs, such as Individualized Placement and Support (IPS), that promotes recovery and independence and helps people with mental health conditions get back to work.

4. Substance Abuse Identification and Treatment

NAMI Wisconsin is committed to promoting recovery from mental illness and co-occurring substance use disorders. Although both are recognized medical conditions, we have concerns with this aspect of the waiver treating those with alcohol and other drug (AODA) issues differently. We acknowledge that the proposal allows individuals to enter treatment in lieu of drug testing and permits them to re-enroll at any time by entering SUD treatment.

However, conducting drug screenings outside of the confidential patient/doctor relationship is not only invasive, but it may have the unintended consequence of individuals choosing not to

⁵ Pavetti, L; (June 2016) *Work Requirements Don't Cut Poverty Evidence Shows*, Center for Budget and Policy Priorities. <http://www.cbpp.org/research/poverty-and-inequality/work-requirements-dont-cut-poverty-evidence-shows>

⁶ Perkins, J; Youdelman, M; & McDonald, I; (March 21, 2017) *Work Requirements: Not a Healthy Choice*, National Health Law Program. http://www.healthlaw.org/publications/browse-all-publications/medicaid-work-requirements-not-a-healthy-choice#.WPUhO_krLcs

access health coverage at all. It is far more effective to maintain enrollment in order to engage patients in *voluntary* treatment.

In addition, the cost of implementing such screening will further burden the state's limited resources. Instead, NAMI Wisconsin supports using the funds from this part of the waiver to invest in evidence-based substance use treatment programs and to address the current waitlist.

5. Residential Treatment Coverage

The final piece of the waiver request relates to providing Medicaid dollars to reimburse for residential SUD treatment. NAMI supports modifying the IMD exclusion to allow Medicaid to pay for treatment of adults ages 21-64 in psychiatric hospitals and residential substance abuse treatment facilities. We would like to emphasize that the residential SUD treatment capacity in Wisconsin falls far short of the need. Updating the IMD exclusion by providing federal funding will help more people to get the care they need when they need it most while relieving emergency department and jail overcrowding. In doing so, we hope the State will remain mindful of the historical concern about warehousing of people with mental illnesses and ensure that this waiver does not open the door to more extensive use of longer term institutionalization. We urge the state to continue investment in resources in the community to ensure access to recovery services in the least restrictive environment.

Thank you for the opportunity for NAMI Wisconsin to provide comments and for your consideration. If there is anything additional we can provide, please feel free to contact us.

Sincerely,



Crystal Hester
Public Policy & Advocacy Director, NAMI Wisconsin

NAMI Wisconsin's mission is to improve the quality of life of people affected by mental illness and to promote recovery.



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