

Where We Stand:

NAMI believes that health insurance should provide comprehensive mental health and substance use disorder coverage without arbitrary limits on treatment. NAMI opposes block grants or per-capita caps in Medicaid, which impose financing limits that jeopardize coverage and services for individuals with mental health conditions.

Why We Care:

Access to coverage and care is essential for people with mental illness to successfully manage their condition and get on a path of recovery. Medicaid is the lifeline for much of that care as the nation's largest payer of mental health and substance use condition services, providing health coverage to more than one in four adults with a serious mental illness. Through Medicaid coverage, people with mental health conditions can access critical services like therapy, inpatient treatment, and prescription medications.

Currently, the federal government pays at least half the amount a state spends on Medicaid – no matter what that amount is. To get federal matching, states agree to certain benefits and standards in their program to protect the health of anyone enrolled in Medicaid. Alternatively, with a block grant, federal spending is capped – leaving states on the hook for extra, unexpected costs that occur when more people are eligible for Medicaid health coverage. These unexpected costs can happen because of population growth, a recession (when people lose their jobs and their employer-sponsored coverage), or other events, like a natural disaster.

With a block grant, because the federal contribution is capped, states may choose to reduce the level of benefits, eliminate services,

pay providers less, or restrict eligibility to balance their budget. Such changes can reduce access to care for people with mental illness.

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Over the past 40 years, Congress has repeatedly rejected efforts to block grant the Medicaid program – in 1981, 1995, 2004, and most recently in 2017. Yet, in January 2020, CMS released guidance that would allow states the option to use a block grant to cover certain individuals within their Medicaid program – in particular, adults with low incomes who are not disabled or elderly. NAMI opposes this option and will work to educate states on the dangers of moving forward with such a proposal.

To learn more about NAMI's work on this issue, visit www.nami.org/Advocacy/Policy-Priorities