



September 12, 2018

The Honorable Seema Verma, Administrator  
The Centers for Medicare and Medicaid Services  
U.S. Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Administrator Verma:

As advocates and people who represent millions of Americans affected by mental illness, we want to thank you for your stewardship of the Medicaid program. Medicaid is the lifeline for many people with mental health conditions, as the nation's largest payer of behavioral health services<sup>i</sup>. Medicaid provides health coverage to 27 percent of adults with a serious mental illness (SMI)<sup>ii</sup>, helping them successfully manage their condition and get on a path of recovery.

As non-federal members of the Interdepartmental Serious Mental Illness Coordinating Committee (ISMICC), we have had the opportunity to share recommendations for improving service access and delivery of care for people with SMI. We appreciate the active participation of CMS staff in the five workgroups that are tasked with addressing implementation of the recommendations. We believe that the recommendations, taken as a whole, provide a framework for federal action for a system that works for all people living with SMI and serious emotional disturbances (SED). Therefore, given the important role Medicaid plays in the delivery of care for this population, the members undersigned below wanted to follow up on a discussion at the most recent ISMICC meeting related to how Medicaid section 1115 demonstrations can help with the implementation of the ISMICC non-federal member report recommendations.<sup>iii</sup> We speak only for ourselves and not for all of the non-federal or federal members of ISMICC.

We appreciate the current flexibilities you have allowed states to provide for the continuum of services to treat substance use disorders (SUD). We appreciate that you have encouraged states to adopt national models for designing such continua of service, encouraged attention to co-occurring health and mental health conditions, and provided flexibility in allowing coverage for beneficiaries receiving care in institutions for mental diseases (IMD).

We believe that the guidance you have provided for SUD waivers can be applied to SMI and SED populations in ways that are directly in line with ISMICC recommendations. As such, we respectfully request that CMS clarify that states can also test the value of providing the full continuum of mental health services in Medicaid, including both the continuum of crisis services and the continuum of recovery-oriented integrated services. Specifically, we request that CMS allow states to provide care to beneficiaries receiving care in institutions for mental diseases (IMDs), such as psychiatric subacute facilities and psychiatric hospitals. Such an opportunity could be clarified in the guidance required by the 21st Century Cures Act (Section 12003 of PL 114-255), which directs CMS to issue guidance that articulates opportunities for demonstration projects under section 1115 that innovate service delivery systems for beneficiaries with SMI and SED.

Allowing states to test the value of providing services to beneficiaries along the full continuum, including acute and subacute care in IMDs, will promote the objectives of the Medicaid program by increasing rates of engagement and retention in treatment, reducing utilization of emergency rooms, reducing unnecessary readmissions, and improving access to care. Additionally, it will help beneficiaries access mental health care when they need it most, by providing the care needed to stabilize after a mental health crisis. Building from the existing SUD demonstration requirements, we would urge CMS to support states in their efforts to promote high quality, evidence-based treatments in the facilities while requiring improvements on important goals and performance measure targets specific to the treatment of mental health conditions, including the unacceptably high rates of readmission for schizophrenia and other serious mental illnesses. We urge CMS to apply strong requirements for utilization of standardized level of care assessments to ensure that individuals are receiving care in the most clinically appropriate setting, and these changes are accompanied by robust crisis and community services, strong continuity of care, and improved performance measures.

Additionally, we recommend CMS also consider providing reimbursement guidance for evidence-based outpatient treatment and supports that studies show have a positive effect on health outcomes and costs, including coordinated specialty care in first episode psychosis programs, Assertive Community Treatment (ACT) and supported education, employment, and housing. In particular, allowing a bundled rate for comprehensive services such as coordinated specialty care and ACT as one evidence-based service would allow for the proliferation of these highly effective services for those with the greatest needs.

I share your belief that the Medicaid program is a promise to help individuals live up to their highest potential, leading healthier, more fulfilling, and more independent lives. Additional flexibility to allow states to cover the full range of mental health services will help advance that vision. We look forward to further collaboration with CMS to achieve our shared vision of improving access to and quality of treatment for beneficiaries with SMI and SED.

Sincerely,

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Calder Lynch, Senior Counselor to the CMS Administrator  
Timothy Hill, Acting Director, Center for Medicaid and CHIP Services (CMCS)  
Deidre S. Gifford, Deputy Director, Center for Medicaid and CHIP Services (CMCS)

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<sup>i</sup> Medicaid and CHIP Payment and Access Commission, “Behavioral Health in the Medicaid Program—People, Use, and Expenditures,” June 2015, <https://www.macpac.gov/publication/behavioral-health-in-the-medicaid-program%E2%80%95people-use-and-expenditures/>

<sup>ii</sup> Rebecca Ahrensbrak, Jonaki Bose, Sarra Hedden, Rachel N. Lipari, and Eunice Park-Lee, “Key Substance Use and Mental Health Indicators in the United States: Results from the 2016 National Survey on Drug Use and Health,” Substance Abuse and Mental Health Services Administration, September 2017, <https://www.samhsa.gov/data/sites/default/files/NSDUH-FFR1-2016/NSDUH-FFR1-2016.pdf>

<sup>iii</sup> Specific recommendations include “Define and implement a national standard for crisis care,” “Develop a continuum of care that includes adequate psychiatric bed capacity and community-based alternatives to hospitalization” and “Establish standardized assessments for level of care and monitoring of consumer Progress,” Page 81. <https://store.samhsa.gov/shin/content//PEP17-ISMICC-RTC/PEP17-ISMICC-RTC.pdf>