January 21, 2025

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

Re: BadgerCare Reform 1115 Waiver Serious Mental Illness / Serious Emotional Disturbance Amendment Application

Dear Acting Secretary Fink:

NAMI appreciates the opportunity to submit comments in support of the amendment request to the BadgerCare Reform 1115 Waiver Serious Mental Illness/Serious Emotional Disturbance Amendment Application. NAMI, the National Alliance on Mental Illness, is the nation's largest grassroots mental health organization and is dedicated to building better lives for people affected by mental illness. NAMI Wisconsin is a state organization of NAMI and works to improve the quality of life of people affected by mental illness and to promote recovery.

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 a lifeline for many Americans as the nation's largest payer of mental health (MH) and substance use disorder (SUD) services[i], with nearly 40 percent of Medicaid beneficiaries having MH/SUD conditions[ii]. Through Medicaid coverage, people with mental health conditions can access critical services like therapy, inpatient treatment, and prescription medications. Amidst an increasing mental health and substance use crisis in Wisconsin and in the U.S. overall, new strategies are needed to ensure access to quality health care and social support services. NAMI appreciates the state's efforts in testing innovative solutions to address unmet needs.

We strongly support Wisconsin's waiver amendment requesting authority to reimburse for acute inpatient stays in Wisconsin hospital-based institutions for mental diseases (IMDs) to include Medicaid-enrolled adults, age 21 to 64, diagnosed with serious mental illness (SMI) or serious emotional disturbance (SED). We urge approval of this amendment by CMS and believe it will promote the objectives of Medicaid.

Reimbursing for Acute Inpatient Stays in IMDs

NAMI strongly supports Wisconsin's amendment request to reimburse for acute inpatient stays in Wisconsin hospital-based IMDs for Medicaid-enrolled adults, age 21 to 64, diagnosed with SMI or SED. The need for expanded access to mental health care in Wisconsin is critical, as mental illness affects nearly one in five residents in a given year. In 2017, Wisconsin adults ranked higher than several other states on the prevalence of SMI, and Wisconsin adults ages 18-25 rank higher than many other states for prevalence of major depressive episode[iii].

Trips to the emergency room for a mental health or SUD condition are common[iv], yet emergency departments (EDs) are often not equipped to help people experiencing a mental health crisis. Moreover, ED staff often have nowhere to send a person in crisis because of the limited number of inpatient psychiatric beds. While only a portion of people in a mental health crisis may require more intensive inpatient care, it is exceptionally difficult to access due to the IMD exclusion policy. This longstanding policy prohibits Medicaid from paying for care provided to most adults in mental health and SUD treatment facilities larger than 16 beds and has long blocked the development of a truly comprehensive mental health care system. NAMI opposes this policy[v], which has limited access to needed inpatient psychiatric care and contributed to a shortage of psychiatric beds nationwide. When beds are unavailable, people with mental illness are frequently discharged from EDs without any place to go for treatment. Sadly, we know that when people don't get the treatment they need, they can end up in jail or on the streets – with worse long-term individual outcomes, greater pain for their families, and a greater cost to the state and the federal government. The IMD exclusion has had a real-life impact on people's ability to access needed treatment, while perpetuating the systematic belief that mental illness should be treated as separate and unequal to physical health conditions.

Preliminary results from other states demonstrate the value and importance of waiving the IMD exclusion through Medicaid 1115 demonstrations. The District of Columbia has improved on several goals for its IMD waiver including decreased utilization of the hospital ED among Medicaid beneficiaries with SMI/SED, increased availability of crisis stabilization services and mobile crisis units, increased use of stabilization services among beneficiaries, and increased number of beneficiaries with SMI/SED who used any mental health services[vi].

NAMI commends Wisconsin for its wide array of MH and SUD treatment services for all Medical Assistance (MA) beneficiaries. In particular, we recognize the state for improving behavioral health services through robust crisis system transformation, including implementing the 988 Suicide and Crisis Lifeline, expanding its BadgerCare mobile crisis benefit to reimburse teams of mental health professionals who respond to individuals in crisis, and opening three youth crisis stabilization facilities and five regional adult crisis stabilization facilities. We believe this underscores the importance of having appropriate levels of care across the continuum. Furthermore, we agree this SMI/SED waiver amendment will expand access to care for new patient populations and address a critical gap in Wisconsin's continuum of crisis and mental health services.

Conclusion

Thank you for the opportunity to provide comments on this important issue. We strongly believe that the proposals outlined in this demonstration amendment request will further the objectives of the BadgerCare program and enhance the mental health of beneficiaries in Wisconsin. If you have any questions or would like to discuss this issue, please do not hesitate to contact Hannah Wesolowski, NAMI Chief Advocacy Officer at hwesolowski@nami.org, or Mary Kay Battaglia, NAMI Wisconsin Executive Director at marykay@namiwisconsin.org.

Sincerely,

Hannah Wesolowski
Chief Advocacy Officer
NAMI

Mary Kay Battaglia
Executive Director
NAMI Wisconsin

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[i] Medicaid and CHIP Payment and Access Commission, "Behavioral Health in the Medicaid Program—People, Use, and Expenditures," June 2015, https://www.macpac.gov/wp-content/uploads/2015/06/Behavioral-Health-in-the-Medicaid-Program%E2%80%94People-Use-and-Expenditures.pdf.

[ii] Heather Saunders, Madeline Guth and Nirmita Panchal, "Behavioral Health Crisis Response: Findings from a Survey of State Medicaid Programs," Kaiser Family Foundation, May 2023, https://www.kff.org/medicaid/issue-brief/behavioral-health-crisis-response-findings-from-a-survey-of-state-medicaid-programs/.

[iii] "Wisconsin Mental Health and Substance Use Needs Assessment 2019," Wisconsin Department of Health Services, Division of Care and Treatment Services P-00613 (09/2020), https://www.dhs.wisconsin.gov/publications/p00613-19.pdf.

[iv] Audrey J. Weiss et al. Trends in Emergency Department Visits Involving Mental and Substance Use Disorders, 2006–2013. Healthcare Cost and Utilization Project, Agency for Health Care Research and Quality, December 2016, https://www.hcup-us.ahrq.gov/reports/statbriefs/sb216-Mental-Substance-Use-Disorder-ED-Visit-Trends.pdf.

[v] National Alliance on Mental Illness (NAMI), "Medicaid IMD Exclusion," 2024, https://www.nami.org/Advocacy/Policy-Priorities/Improving-Health/Medicaid-IMD-Exclusion/#:~:text=NAMI%20opposes%20Medicaid's%20discriminatory%20prohibition,mental%20disease%E2%80%9D%20(IMDs).

[vi] District of Columbia Department of Health Care Finance and American Institutes for Research (AIR), "Medicaid Behavioral Health Transformation: Draft Initial Interim Evaluation Report," June 12, 2023, https://dhcf.dc.gov/sites/default/files/dc/sites/dhcf/page_content/attachments/DRAFT%201115%20Interim%20Eval%20Report_For%20public%20comment%20%28f5553319-61fe-4165-8e83-2a0cdc26a984%29.pdf.