

*Testimony of Alyssa Schatz, MSW,
Vice President, Advocacy and Policy
Mental Health Partnerships
House Human Services Committee Hearing
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Good morning and thank you for allowing me to speak with you today about the important role Medicaid plays for Pennsylvania's behavioral health community. My name is Alyssa Schatz and I am the Vice President of Advocacy and Policy for Mental Health Partnerships (MHP), formerly known as the Mental Health Association of Southeastern Pennsylvania. I also come from a family that has been deeply impacted by mental health and substance use disorders so I know well the importance that Medicaid plays for the behavioral health community. MHP is one of the 3 largest Mental Health America affiliates in the nation with more than 40 programs located throughout Southeastern Pennsylvania. At MHP, we are deeply concerned about the proposals to end Medicaid expansion and impose a per-capita cap on our nation's Medicaid program.

Medicaid is the largest insurer of people with behavioral health conditions and largest funder of behavioral health services in the Commonwealth. Medicaid helps people with mental health conditions to find recovery, gain employment, build families, and lead healthy lives in the community. Since Pennsylvania expanded Medicaid, we have seen tremendous gains in behavioral health access. Of the more than 720,000 people who have gained coverage under expansion, more than 18% have accessed SUD treatment and 22% have accessed mental health treatment¹. Given that we anticipate somewhere between 1 in 4 and 1 in 5 Pennsylvanians have a behavioral health need, these are impressive access rates. However, imposing a per-capita cap, which the Congressional Budget Office has estimated would cut \$834 billion from Medicaid over 10 years, would rob our Commonwealth of these gains and further reduce Pennsylvania's ability to provide care to people with behavioral health needs.

The per-capita cap proposals have been developed based on the false assumption that the Medicaid program is too expensive. Many people are unaware that the Medicaid program is actually quite cost-effective compared to private insurance, with an overhead rate that is less than half that of private insurers (7%)² and per-member costs that are significantly lower than the private market for comparable populations. Since Medicaid is already a cost-effective program, with low overhead, imposing a per-capita cap would leave states with few options for funding cuts, essentially forcing states to reduce benefits.

A blanket, one size fits all funding cut does nothing to address the real drivers of health care costs, and harms people in the process. This leaves people with behavioral health conditions particularly vulnerable. Rather than imposing a blanket per-capita cap, MHP feels strongly that the federal government should look to models which have saved dollars while also improving lives. In Pennsylvania, our Medicaid program uses an innovative "carve out" model for our behavioral health services which saved the Commonwealth more than \$4 billion over the initial

¹ Pennsylvania Department of Human Services. (2017).

² Kaiser Family Foundation. (July 2009). *Medicaid: True or false?* Retrieved from: <http://khn.org/news/medicaid-true-or-false/>

decade of the program while still expanding access to care and options for care⁴. We should replicate these types of innovative approaches that save money, but also improve care.

We appreciate you taking the time to listen to our concerns today. Please encourage our federal legislators to oppose the phase out of Medicaid expansion and any per-capita cap or block grant proposals that would impose a blanket funding cut. You will now hear from Julie Schnepf, who will share the story of what Medicaid has meant for her. I welcome any questions you have following Julie's narrative.

⁴ Mental Health Association in Pennsylvania. (2011).