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September 9, 2021

To Improve Behavioral Health, Start by Closing the Medicaid Coverage Gap

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Closing the Medicaid coverage gap is a critical step toward addressing the nation's behavioral health crisis. In 2019, 2.2 million uninsured adults with incomes below the poverty line, which is too low to qualify for subsidized health insurance coverage in the Affordable Care Act (ACA) marketplaces, were left without a pathway to coverage, because their states didn't expand Medicaid.[2] Most of these adults live in the South, 60 percent are people of color, and more than 1 in 4, about 600,000 people, are estimated to have a behavioral health condition.[3]

Improved access to coverage has been shown to increase access to behavioral health services by reducing financial barriers to care and increasing the number of behavioral health providers that accept Medicaid. Having health coverage has also been shown to improve mental well-being and reduce stress and anxiety among low-income people. For those without a pathway to coverage, closing the coverage gap would expand access to critically needed behavioral health services — which include services to treat mental health conditions and substance use disorders (SUD) — at a time when the need for these services is high and increasing.[4]

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[2] The coverage gap includes people in 11 states that have not adopted the ACA Medicaid expansion: Alabama, Florida, Georgia, Kansas, Mississippi, North Carolina, South Carolina, South Dakota, Tennessee, Texas, and Wyoming. Wisconsin has also not adopted Medicaid expansion, but the state provides Medicaid coverage to adults with incomes up to the poverty line.

[3] Coverage gap population estimated by CBPP using 2019 American Community Survey data. Percent with a mental illness or substance use disorder estimated by the HHS ASPE using National Survey on Drug Use and Health data: https://aspe.hhs.gov/pdf-report/benefits-medicaid-expansion-behavioral-health. Applies rates for population in non-expansion states that are uninsured with incomes below 138 percent of the federal poverty line and assumes the coverage gap population is similar to other low-income, uninsured adults in non-expansion states.

[4] Farida Ahmad, Lauren Rossen, and Paul Sutton, "Provisional Drug Overdose Death Counts," National Center for Health Statistics, August 11, 2021, https://www.cdc.gov/nchs/nvss/vsrr/drug-overdose-data.htm; Mark É. Czeisler *et al.*, "Mental Health, Substance Use, and Suicidal Ideation During the COVID-19 Pandemic — United States, June 24-30, 2020," *Morbidity and Mortality Weekly Report*, August 14, 2020, https://www.cdc.gov/mmwr/volumes/69/wr/mm6932a1.htm.

Since 60 percent of people in the coverage gap are people of color, closing the gap would also advance more equitable access to behavioral health care.[5] Lack of access to health coverage and behavioral health care is a major problem among all racial and ethnic groups, but people of color often face greater barriers to receiving high-quality services.

600,000 people in coverage gap (more than 1 in 4) Are estimated to have a behavioral health condition

Policymakers have an opportunity to address the coverage gap in recovery legislation, which would help millions of currently uninsured people, many with behavioral health needs that can have fatal consequences when neglected, access the care they need.

Nation's Worsening Behavioral Health Crisis Increases the Need for Coverage Expansion

In the years before the COVID-19 pandemic, the nation was already facing a growing behavioral health crisis. In 2017, the Secretary of Health and Human Services (HHS) declared the opioid crisis a public health emergency — a determination that HHS has renewed every quarter since.[6] Around the same time, deaths from overdose and suicide were at near historic and three-decade highs, respectively.[7] Also in 2017, the U.S. Surgeon General pronounced loneliness a public health epidemic.[8]

People of color experience greater barriers to accessing behavioral health care, a long-standing problem that predates the pandemic.[9] Black people, Latino people, Native Americans, and Pacific Islanders are more likely than white people to be uninsured. This contributes to racial disparities in access to some behavioral health services. Black, Latino, and Asian American people have tended to access mental health services at lower rates than white people and have been less likely to use psychotropic medications than white people, trend analyses have shown.[10] Lack of coverage

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[5] Gideon Lukens and Breanna Sharer, "Closing Medicaid Coverage Gap Would Help Diverse Group and Narrow Racial Disparities," Center on Budget and Policy Priorities, revised June 14, 2021, https://www.cbpp.org/research/health/closing-medicaid-coverage-gap-would-help-diverse-group-and-narrow-racial.

[6] Department of Health and Human Services, Office of the Assistant Secretary for Preparedness and Response, "Public Health Emergency Declarations," 2017-2021, https://www.phe.gov/emergency/news/healthactions/phe/Pages/default.aspx.

[7] Centers for Disease Control and Prevention (CDC), "Understanding the Epidemic," March 17, 2021, https://www.cdc.gov/opioids/basics/epidemic.html; Holly Hedegaard, Sally C. Curtin, and Margaret Warner, "Increase in Suicide Mortality in the United States, 1999-2018," CDC, April 2020, https://www.cdc.gov/nchs/products/databriefs/db362.htm; Sabrina Tavernise, "U.S. Suicide Rate Surges to a 30-Year High," *New York Times*, April 22, 2016, https://www.nytimes.com/2016/04/22/health/us-suicide-rate-surges-to-a-30-year-high.html.

[8] Dorey Scheimer and Meghna Chakrabarti, "Former Surgeon General Vivek Murthy: Loneliness is a Public Health Crisis," WBUR, March 23, 2020, https://www.wbur.org/onpoint/2020/03/23/vivek-murthy-loneliness.

[9] Margarita Alegría *et al.* "Removing Obstacles To Eliminating Racial And Ethnic Disparities In Behavioral Health Care," *Health Affairs,* June 2016, https://www.healthaffairs.org/doi/10.1377/hlthaff.2016.0029.

[10] Benjamin Lê Cook *et al.*, "Trends in Racial-Ethnic Disparities in Access to Mental Health Care, 2004–2012," *Psychiatric Services*, January 1, 2017, https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5895177/.

contributes to these disparities, which are also affected by cultural competence among providers, fewer providers serving racially segregated communities, and cultural stigma surrounding mental health care, among other causes.

People of color also experience barriers to accessing substance use treatment. For example, one study found that Black people were much less likely than white people to be prescribed buprenorphine, one of the three drugs that the Food and Drug Administration approved to treat opioid use disorder, despite prevalence of opioid misuse being similar for Black and white adults.[11] Prescriptions were also concentrated among people with private insurance or who paid for the treatment — which can cost several hundred dollars per month — out of pocket.

COVID-19 Pandemic Worsened Behavioral Health

Social isolation and uncertainty during the pandemic have only exacerbated the behavioral health crisis. Since the onset of the pandemic, adults have experienced persistent levels of psychological distress due to concerns about job loss, contracting COVID-19, disruptions to education, and lack of access to affordable health care.[12] More than one-third of adults with serious distress cited inability to get health care as a source of stress.

People with lower incomes, including some essential workers, young adults, and people of color, have been especially negatively affected by pandemic-related stressors. For example, compared to non-Hispanic Asian and white people, Black and Hispanic people have been more likely to report symptoms of anxiety and depression during the pandemic.[13] In December 2020, adults with incomes below $40,000 were twice as likely as those with higher incomes to report poor mental health due to pandemic-related worries or stress.[14] Low-income people in the coverage gap are more exposed to these stressors and more likely to delay or forgo care because they lack the financial protections and access to care that come with being covered.

The pandemic has also adversely affected people, particularly people with low incomes and people of color, who had preexisting behavioral health conditions. One study finds that for those with long-standing behavioral health conditions, the pandemic worsened symptoms of depression and anxiety and increased unhealthy self-medication through substance use.[15] Drug overdose deaths have continued to rise, reaching an all-time high of over 92,000 deaths in 2020, a nearly 30 percent

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[11] Pooja Lagisetty *et al.*, "Buprenorphine Treatment Divide by Race/Ethnicity and Payment," *JAMA Psychiatry*, May 2019, https://jamanetwork.com/journals/jamapsychiatry/article-abstract/2732871; Substance Abuse and Mental Health Services Administration Center for Behavioral Health Statistics and Quality, "Results from the 2019 National Survey on Drug Use and Health: Detailed Tables," September 11, 2020, https://www.samhsa.gov/data/report/2019-nsduh-detailed-tables.

[12] Emma E. McGinty *et al.*, "Psychological Distress and COVID-19–Related Stressors Reported in a Longitudinal Cohort of US Adults in April and July 2020," *JAMA*, November 23, 2020, https://jamanetwork.com/journals/jama/fullarticle/2773517.

[13] Nirmita Panchal *et al.*, "The Implications of COVID-19 for Mental Health and Substance Use," Kaiser Family Foundation, February 10, 2021, https://www.kff.org/coronavirus-covid-19/issue-brief/the-implications-of-covid-19-for-mental-health-and-substance-use.

[14] *Ibid.*

[15] Kareem Hamada and Xiaoduo Fan, "The impact of COVID-19 on individuals living with serious mental illness," *Schizophrenia Research*, August 2020, https://doi.org/10.1016/j.schres.2020.05.054.

increase compared to 2019, according to preliminary CDC data.[16] People with a preexisting mental health condition are also at increased risk of hospitalization and death from COVID-19, a recent meta-analysis found.[17]

Access to Health Coverage Improves Behavioral Health Among Low-Income People

Closing the coverage gap would ensure millions of uninsured people have a pathway to coverage that includes behavioral health services and mental health parity protections. The Mental Health Parity and Addiction Equity Act prohibits group health plans and health insurance issuers that provide mental health or substance use disorder benefits from imposing less favorable benefit limitations on those benefits than apply to medical benefits. These requirements also apply to certain Medicaid and Children's Health Insurance Program plans, including the benchmark Medicaid plans that people eligible for Medicaid expansion enroll in.[18] While the services covered vary, the ACA includes behavioral health services and preventive health screenings among the ten essential health benefits that must be covered by all marketplace and Medicaid expansion plans.[19]

Coverage Expansion Increases Access to Mental Health Services

Research has documented the effects of coverage expansion on access among people with specific mental health needs. For example, among adults with depression, Medicaid expansion was associated with significant increases in the insured rate as well as improved access to care and medications for adults with depression.[20] Among disadvantaged college students with mental health conditions, Medicaid expansion was associated with increased coverage rates and a greater likelihood of being diagnosed with a mental health condition and of using prescription medications for a mental health condition.[21] Among individuals with serious psychological distress, expanded Medicaid eligibility led to a decrease in people delaying and/or forgoing necessary care.[22] Improving

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[16] Ahmad, Rossen, and Sutton, *op. cit.*

[17] Felicia Ceban *et al.*, "Association Between Mood Disorders and Risk of COVID-19 Infection, Hospitalization, and Death: A Systematic Review and Meta-analysis," *JAMA Psychiatry*, July 28, 2021, https://jamanetwork.com/journals/jamapsychiatry/fullarticle/2782453.

[18] 42 C.F.R. §§ 438 Subpart K, 440.395, and 457.496.

[19] Health plans offered through the ACA marketplaces must cover behavioral health services that are comparable to the plan's physical health coverage, thereby providing access to coverage for substance use disorder treatment. However, the services, medications, and cost-sharing requirements in marketplace plans vary considerably. States can enforce parity laws to improve marketplace coverage of substance use services and can use grants to fill treatment funding gaps. Rebecca Peters and Erik Wengle, "Coverage of Substance-Use Disorder Treatments in Marketplace Plans in Six Cities," Urban Institute, June 2016, https://www.urban.org/sites/default/files/publication/81856/2000838-Coverage-of-Substance-Use-Disorder-Treatments-in-Marketplace-Plans-in-Six-Cities.pdf.

[20] Carrie E. Fry and Benjamin D. Sommers, "Effect of Medicaid Expansion on Health Insurance Coverage and Access to Care Among Adults With Depression," *Psychiatric Services*, August 28, 2018, https://ps.psychiatryonline.org/doi/10.1176/appi.ps.201800181.

[21] Benjamin W. Cowan and Zhuang Hao, "Medicaid Expansion and the Mental Health of College Students," National Bureau of Economic Research Working Paper 27306, June 2020, https://www.nber.org/system/files/working_papers/w27306/w27306.pdf.

[22] Priscilla Novak, Andrew C. Anderson, and Jie Chen, "Changes in Health Insurance Coverage and Barriers to Health Care Access Among Individuals with Serious Psychological Distress Following the Affordable Care Act," *Administration and Policy in Mental Health*, November 2018, https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6477535/.

access to care for people with serious mental illness can enhance quality of life for these individuals and prevent costly interventions such as psychiatric hospitalizations or criminal justice involvement.

Coverage Expansion Increases Behavioral Health Provider Capacity

Coverage expansion also contributes to increased access to behavioral health services by increasing behavioral health provider capacity. The more likely providers are to receive adequate reimbursement for their services, the greater their capacity to accept various forms of coverage. For example, providers of specialty mental health treatment were more likely to accept Medicaid after their states expanded eligibility under the ACA.[23] And while much work remains to be done to ensure adequate reimbursement rates for providers of SUD treatment, evidence from states that increased Medicaid rates in recent years shows that these increases also contributed to greater provider participation in Medicaid.[24] The more providers that accept Medicaid, the easier it is for enrollees to get the services they need when and where they need them. Closing the Medicaid coverage gap would benefit not only low-income patients but also the under-resourced providers that support them.

Coverage Expansion Contributes to Positive Mental Health

Being uninsured can create and compound stress by causing people to worry about medical bills and the cost of care, including behavioral health care. These financial concerns can lead people to delay seeking treatment until they are in crisis. Low-income people who are newly insured often experience improved mental health. For example, among low-income parents, Medicaid expansion meaningfully contributed to reductions in severe psychological distress as well as reduced difficulty paying medical bills.[25] There is also evidence of improved mental health among low-income childless adults, who report fewer poor mental health days and fewer depression diagnoses.[26]

Coverage Expansion Helps Combat the Substance Use Crisis

Along with improving mental health and increasing access to mental health coverage and treatment, coverage expansion reduced the impact of the substance use crisis, including the opioid epidemic. Medicaid expansion has significantly reduced uninsured rates among people with SUDs.[27] Expansion has also reduced the share of opioid-related hospitalizations with an uninsured patient

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[23] Elson Oshman Blunt *et al.*, "Public insurance expansions and mental health care availability," *Health Services Research*, 55(4), August 2020, https://onlinelibrary.wiley.com/doi/10.1111/1475-6773.13311.

[24] Government Accountability Office, "Medicaid: States' Changes to Payment Rates for Substance Use Disorder Services," January 30, 2020, https://www.gao.gov/products/gao-20-260.

[25] Stacey McMorrow *et al.*, "Medicaid Expansion Increased Coverage, Improved Affordability, And Reduced Psychological Distress For Low-Income Parents," *Health Affairs*, May 2017, https://www.healthaffairs.org/doi/10.1377/hlthaff.2016.1650.

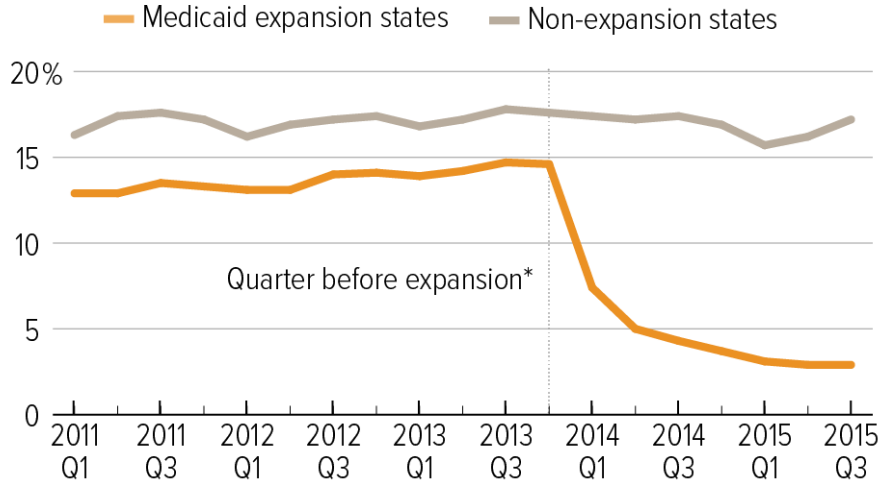
[26] Tyler N.A. Winkelman and Virginia W. Chang, "Medicaid Expansion, Mental Health, and Access to Care among Childless Adults with and without Chronic Conditions," *Journal of General Internal Medicine*, March 2018, https://pubmed.ncbi.nlm.nih.gov/29181792/; Kevin N. Griffith and Jacob H. Bor, "Changes in Health Care Access, Behaviors, and Self-reported Health Among Low-Income US Adults Through the Fourth Year of the Affordable Care Act," *Medical Care*, June 2020, https://journals.lww.com/lww-medicalcare/Abstract/2020/06000/Changes_in_Health_Care_Access,_Behaviors,_and.11.aspx.

[27] Mark Olfson *et al.*, "Expansion and Low-Income Adults with Substance Use Disorders," *Journal of Behavioral Health Services & Research*, November 6, 2020, https://pubmed.ncbi.nlm.nih.gov/33156464/.

(see Figure 1) and has been linked to increased access to naloxone, a medication that quickly treats opioid overdoses.[28] Another study on expanded Medicaid eligibility finds that people who inject drugs (PWID) are more likely to have insurance, a usual source of care, and access to medication-assisted treatment in states that expanded coverage compared to PWID in states that did not expand coverage.[29]

FIGURE 1

ACA Medicaid Expansion Reduced Share of Opioid-Related Hospitalizations in Which Patient Was Uninsured



*The Affordable Care Act (ACA) gave states the option to expand Medicaid to adults with income up to 138 percent of the poverty line starting in 2014.

Source: CBPP analysis of Healthcare Cost and Utilization Project data from the Agency for Healthcare Research and Quality. Analysis includes 26 states for which data are available for all of 2011-2015 and which either expanded Medicaid in January 2014, or had not expanded as of October 2015.

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Conclusion

Medicaid expansion has improved access to needed mental health and SUD care in states that have expanded. Until the Medicaid coverage gap is closed, however, hundreds of thousands of low-income people with behavioral health needs will continue to lack the care and financial protections that are afforded to people in expansion states. The behavioral health crisis is complex. Increasing access to comprehensive health coverage is only part of the solution; more work is also needed to

[28] Matt Broaddus, Peggy Bailey, and Aviva Aron-Dine, "Medicaid Expansion Dramatically Increased Coverage for People with Opioid-Use Disorders, Latest Data Show," Center on Budget and Policy Priorities, February 28, 2018, https://www.cbpp.org/research/health/medicaid-expansion-dramatically-increased-coverage-for-people-with-opioid-use; Minji Sohn *et al.*, "Association between state Medicaid expansion status and naloxone prescription dispensing," Health Services Research, February 7, 2020, https://doi.org/10.1111/1475-6773.13266.

[29] Rashunda Lewis *et al.*, "Healthcare Access and Utilization Among Persons Who Inject Drugs in Medicaid Expansion and Nonexpansion States: 22 United States Cities, 2018," *Journal of Infectious Diseases*, September 2, 2020, https://doi.org/10.1093/infdis/jiaa337.

ensure there are enough behavioral health providers, adequate provider payment rates and networks, and that mental health and addiction parity laws are enforced. Nevertheless, closing the coverage gap is a critical step toward building a more equitable health care system by ensuring that everyone has access to quality behavioral health services regardless of where they live. Policymakers should seize the opportunity to make meaningful progress now by closing the Medicaid coverage gap in recovery legislation.