The Honorable Alex Azar
Secretary
Department of Health and Human Services

Dr. Jeffrey Howard, Jr.
Health Commissioner
Kentucky Department for Public Health

August 14, 2018

Dear Secretary Azar and Commissioner Howard,

On behalf of the Kentucky Psychiatric Medical Association, the statewide medical specialty society representing more than 350 psychiatrists in Kentucky, and the American Psychiatric Association (APA), the national medical specialty society representing more than 37,800 psychiatric physicians nationwide, we write with concern about the previously-approved Section 1115 Medicaid waiver imposing work or community engagement requirements on certain non-elderly, non-disabled adults. We appreciate the additional opportunity to comment on this important waiver and want to bring your attention to certain negative impacts it may have on patients with mental health and/or substance use disorders. We recognize that voluntary programs to assist Medicaid enrollees in obtaining a job or gaining job skills have been successful in several states, but we are concerned about making employment or other community engagement activities a mandatory condition of eligibility.

This waiver disproportionately affects individuals with mental illness and substance use disorders (SUDs). Medicaid is one of the nation’s largest payers of these services, covering 25% of mental health services and 21% of substance use disorder services at the national level.¹ For patients struggling with a mental illness and/or a substance use disorder, overcoming the administrative obstacles to prove they are eligible for an exemption may be cumbersome due to the nature of their condition or stigma attached to their condition, leading them to lose coverage on purely technical grounds. Additionally, patients struggling with mental illness often have co-occurring physical illnesses. Research shows that patients with serious mental illnesses die years earlier than the general population, with the majority of them perishing due to physical health conditions.² Taking coverage away from these patients will likely lead to delayed treatment and costly physical and mental health outcomes.

This waiver will unnecessarily exclude many thousands of working adults with mental illness and substance use disorders from Medicaid coverage due to reporting requirements and job availability. This policy largely ignores the stigma that still surrounds mental illness and substance use disorders, which may lead Medicaid beneficiaries to be reluctant to disclose their condition and forgo submitting the appropriate paperwork. If a patient must make a choice between not disclosing their condition and qualifying for Medicaid, they may choose the former, putting their treatment and stability at-risk. Even if individuals with a mental illness and/or a substance use disorder meet the requirements of the waiver,

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there remains a real risk of eligible people losing coverage due to miscommunication, their inability to navigate these processes, or other breakdowns in the administrative process.

We also note that this waiver imposes punitive consequences, such as penalty deductions from incentive accounts and lock outs from re-enrollment for the failure of a Medicaid beneficiary to report at least 80 hours per month of community engagement activities, including gaining employment, actively seeking a job, or enrolling in a job training program. Imposing lock-outs, premiums, and other out-of-pocket costs creates further barriers for patients to access the preventive and primary care services they need. People with mental illness and/or substance use disorder services face barriers to stable employment due to their fluctuating ability to function, which can lead to job loss. These patients disproportionately have criminal records, often tied to their medical conditions. Notably, patients may find themselves in an impossible position where they may lose Medicaid coverage because they cannot get their disability documented, but they also cannot get the disability documentation because they do not have health coverage.

We believe this waiver is particularly troubling in light of the ongoing opioid crisis affecting many individuals and families throughout Kentucky today. In fact, we applaud your efforts to expand SUD treatment in the state by proposing to the lift the institution for mental disease (IMD) exclusion payment through this waiver, but we believe implementing these requirements would be particularly harmful to that same population of patients. Individuals with SUD already face numerous barriers to accessing substance use disorder treatment. As a result, only 10 percent of the nearly 20 million adults in America who needed SUD treatment received such treatment in 2016. Addiction is a complex brain disease and seeking treatment can take several attempts; it is not a guarantee for lifetime recovery. In the best-case scenario of a patient receiving inpatient care, maintaining access to the ongoing care they need may be compromised if they cannot secure a job shortly after leaving treatment.

Thank you again for the opportunity to respond to the Kentucky’s proposal. If you have questions, please contact Kathy Orellana at korellana@psych.org. We welcome an opportunity to further continue this conversation with your office, so please feel free to reach out if you have any questions.

Sincerely,

Saul Levin, MD, MPA, FRCP-E
CEO and Medical Director
American Psychiatric Association

Marc Cruser, MD
Vice President
Kentucky Psychiatric Medical Association

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