AMERICAN PSYCHIATRIC ASSOCIATION

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November 18, 2025

The Honorable Dan Brillman
Deputy Administrator and Director
Centers for Medicare and Medicaid Services
Center for Medicaid and CHIP Services
U.S. Department of Health and Human Services
200 Independence Ave, S.W.
Washington, D.C. 20201

Re: Implementing Community Engagement Provisions of H.R.1

Dear Deputy Administrator Brillman,

The American Psychiatric Association (APA), the national medical specialty society representing more than 39,200 psychiatric physicians and their patients, submits these comments for consideration as the Department of Health and Human Services (HHS) develops the requirements for implementing the Medicaid "Community Engagement" provisions of H.R.1. We encourage HHS to implement the broadest and most flexible implementation parameters, allowing states to tailor policies that meet the diverse and complex needs of their Medicaid populations.

Medicaid is the nation's single largest payer of mental health and substance use disorder services.[1] Nearly one in four adults with any mental illness and more than twenty percent of adults with any substance use disorder (SUD) are covered by Medicaid which plays a crucial role in combating the continued overdose and mental health crisis this country faces.[2] Congress has recognized Medicaid's crucial role in mental health and SUD care, providing exceptions to the 80-hour work requirements ensuring that those with SUD, disabling mental health conditions, and other vulnerable populations do not lose access to care. Any Medicaid reforms that may promote efficiency and sustainability must also preserve access to critical behavioral health services.

[1] Medicaid.gov, Behavioral Health Services, https://www.medicaid.gov/medicaid/benefits/behavioral-health-services#:~:text=Medicaid%20is%20the%20single%20largest,of%20substance%20use%20disorder%20services.
[2] Heather Saunders & Robin Rudowitz, "Demographics and Health Insurance Coverage of Nonelderly Adults with Mental Illness and Substance Use Disorders in 2020," KFF (June 6, 2022), https://www.kff.org/medicaid/issuebrief/demographics-and-health-insurance-coverage-of-nonelderly-adults-with-mental-illness-and-substance-usedisorders-in-2020/.

Community Engagement Requirements

Nearly half of the adult population with any mental illness or SUD who are enrolled in Medicaid are either employed or retired.[3] Factors such as the episodic nature of some mental health and SUD conditions, medically necessary mental health appointments, or the lack of work in part-time or gig economy jobs may impede these patients from consistently meeting the 80-hour threshold and therefore, render a beneficiary ineligible for Medicaid benefits. Moreover, treatment options for patients may become more limited as the telehealth regulatory environment remains uncertain.

Without flexibility to access treatment, mental health conditions may worsen, impacting not only the ability to participate in community engagement, but in all areas of daily living. HHS and states have an opportunity to examine and implement a balanced approach to ensure that individuals on Medicaid continue to receive treatment while participating in community engagement activities that best meet the needs of both the individual and community.

Exemptions to Community Engagement Requirements

APA supports the exemption from the 80-hour requirement for those with disabling mental health conditions or SUDs. However, we encourage the administration and states to focus the exemptions on **conditions that substantially interfere with a person's life and ability to function, as determined by a clinician,** rather than on specific diagnoses. Mental health and SUD conditions often present with unpredictable symptom patterns, exacerbated by co-occurring physical conditions. Therefore, strict definitions by diagnosis may not truly capture a person's ability to meet the 80-hour community engagement requirement. Individuals with mental health conditions should receive the same consideration for work exemptions under Medicaid as those with medical illnesses who exhibit variable symptom intensity over time, in accordance with mental health parity laws.

APA also encourages HHS to consider an individual's participation in time-intensive treatment programs as grounds for an exception. Programs such as inpatient, partial hospitalization, intensive outpatient care, detox, or residential treatment are designed to meet the needs of some of the most vulnerable patients yet provide less flexibility to meet the rigid 80-hour requirement set forth in H.R.1.

Administrative Burden

APA urges HHS to fully consider the impact of all the new requirements on state Medicaid offices, individuals on Medicaid and the physicians providing their care. Over 122 million Americans live in a mental health shortage area.[4] Processes requiring detailed or repeated certification of disabling mental health disorders or SUD will strain a healthcare system already facing a shortage of psychiatrists across the country. Additional red tape for both beneficiaries and staff related to

[3] The Commonwealth Fund, Explainer May 7, 2025, https://www.commonwealthfund.org/publications/explainer/2025/may/medicaids-role-mental-health-and-substance-use-care

[4] HRSA, State of the Behavioral Health Workforce, https://bhw.hrsa.gov/sites/default/files/bureau-health-workforce/state-of-the-behavioral-health-workforce-report-2024.pdf

application documentation will add costs to running the Medicaid program and do little to allow individuals to seek treatment, recover, and remain or re-enter the workforce.

Additionally, we emphasize the need to uphold privacy protections under 42 CFR Part 2, which governs the confidentiality of SUD records. Under this regulation, these records cannot be used in administrative eligibility determinations without explicit patient consent. **HHS must provide guidance to the states ensuring infrastructure is in place prior to the adoption of new regulations to protect highly sensitive health information if eligibility determinations fall under treatment, payment, and health care operation activities.** Any system must remain compliant with these protections and should not pressure individuals to disclose highly sensitive health information in order to retain Medicaid coverage.

Finally, patients awaiting appointments and Medicaid coverage decisions should not be dropped. Systems should balance the wait times for appointments and documentation sharing with coverage decisions. Establishing protections against coverage loss while exemption determinations are pending or being appealed are vital to this vulnerable population. Individuals living with mental health and SUDs already face enormous challenges gaining meaningful employment and accessing care. The funding and continued resources for supported employment services must remain an integrated part of the state Medicaid offices. The Medicaid system should not further disadvantage those who access mental health or SUD treatment, inadvertently creating an environment of discontinued treatment and worsening prognosis ultimately leading to increased use of higher cost services such as crisis services, emergency settings, or hospitalizations.

Thank you for your consideration of these comments. We look forward to working with you to ensure that the Medicaid program supports individuals with mental health and SUDs to the fullest extent possible. Please contact Brooke Trainum (btrainum@psych.org), Senior Director, Practice Policy with any questions.

Sincerely,

Marketa Wills, MD, MBA, FAPA
CEO and Medical Director
American Psychiatric Association