



Center for Public Policy Priorities

900 Lydia Street, Austin, Texas 78702

PH: 512.320.0222 FAX: 512.320.0227 www.cppp.org

March 2, 2005

MEMORANDUM

Can Adult Medicaid Clients Access Mental Health Care Despite Benefit Cuts?

Q: Can adult clients get their mental health professional services from Medicare?

A: More than 60% cannot.

- In January, there were 862,452 adults on Texas Medicaid. Of these, 667,561 (77%) were elderly or disabled (353,910 elderly, and 313,651 disabled or blind).
 - 316,677 of the aged and disabled were full Medicaid-Medicare dual eligibles (47% of the aged and disabled). Some “dual eligibles” can get certain psychologist and Masters level Social Worker services. Texas Medicaid still pays the deductibles and coinsurance. Providers are already required to bill Medicare for all services that program covers BEFORE Medicaid is billed.
 - Thus 350,884 of our aged or disabled adults (53%) do not qualify for Medicare, and have no opportunity for Medicare to pick up the benefits that were cut.
 - The remaining 194,891 adults (who do not qualify for Medicare) included 87,741 pregnant women; 60,974 parents with dependent children either poor enough for TANF or just leaving TANF and getting transitional benefits; and 45,099 parents receiving TANF.
- Basically, most non-elderly disabled adults do NOT have access to Medicare as a back-up, so they cannot get ANY of the eliminated services. This group includes:
 - Most adult Texans with significant mental retardation;
 - Most Texans with serious mental illness that began before or in early adulthood;
 - Many Texans with major disabilities acquired before or in early adulthood.

Q: Can adult Medicaid clients get their mental health services from Psychiatrists?

A: Access to psychiatrists is limited, and psychiatrists do not perform the same services.

- The number of Texas psychiatrists accepting Medicaid is limited, due to the low reimbursement rates.
- Very few psychiatrists provide therapy or counseling; their practices focus on diagnosis and medication management. Most psychiatrists rely on therapy and counseling as lower-cost ancillaries to their services, which help the chronically ill remain compliant with drug therapy and can help acute patients to recover fully.

Q: Can adult Medicaid clients get their mental health services from Community MH Centers?

A: Only adults with 3 Diagnoses are served, Center Psychiatrists need counseling services to be available to complement drug therapy, and spending pure GR on services is wasteful.

- Under provisions of HB 2292, the Centers now only serve adult clients with Schizophrenia, Bipolar Disorder, and Major Depression. Adults with other diagnoses do not have access to Center services.
- MH Center counseling services for those who do meet the criteria, if not billed to Medicaid, **would be paid for with pure GR**, wasting the potential 60% federal match.
- Psychiatrists at the Community MH Centers, just like psychiatrists at large, relied heavily on the less costly counseling and therapy benefits to help their seriously ill clients to comply with medication regimens and avoid hospitalization and incarceration.
- A number of Centers billed Medicaid for their eligible clients' counseling and therapy prior to these cuts, and thus lost even more from their budgets than the direct GR reductions taken in 2004-05.

Which Adults Need Medicaid Mental Health Services?

CPPP researched the impact of the mental health service cuts, and many providers and individuals around the state told us who was in need because of this cut. Affected people include:

1. **Nursing home residents:** About 70% of Texas nursing home residents are covered by Medicaid, and a very high percentage have depression or other behavioral health issues. Psychiatrists and other medical doctors who prescribe medication to seniors for depression depend on visiting counseling services to help clients cope with their condition, to support the client in taking the medications, and to provide feedback about the effectiveness of medication treatment and changes that may need to be made. Nursing homes also serve younger Texans with disabilities, sometimes after a traumatic injury or illness has turned their lives upside down. In these cases, therapy can be a life-saving component needed to help an individual cope with a sudden loss of independence and function.
2. **Clients with mental retardation in ICF-MRs and community-based programs:** Resident clients with behavioral health diagnoses (in addition to mental retardation) have historically been referred to psychologists and other mental health practitioners who bill Medicaid. Their needs are very similar to those described above for nursing home residents.
3. **Parents in child abuse and neglect cases:** Many parents in CPS abuse or neglect cases are mandated to courses of counseling, and a significant share of these parents are Medicaid-eligible. Without the ability to bill Medicaid for these services, some parents will have to go without counseling, or 100% state or local dollars will have to be used for these services (losing the 60% federal share).
4. **Adults in elder abuse cases:** In elder neglect or abuse cases, elderly **victims** who are Medicaid-eligible may also be unable to receive counseling to help recover from the trauma of abuse.
5. **Sexual Assault survivors, Domestic Violence survivors, Crime Victims:** Without Medicaid coverage, and with access to Crime Victims' Compensation Fund support for counseling needs becoming more difficult to obtain, many domestic violence and other violent crime victims may go without the services they need to get back on their feet—and stay there. Family violence agencies have also relied heavily on MHMR Centers in the past for longer-term needs, but now report that only clients with a life-threatening mental illness can be served by the Centers. In fact, shelters report that CPS and MHMR agencies now try to refer clients to them, and that many former MHMR clients have sought counseling directly from the Family Violence agencies.
6. **Women suffering from post-partum depression:** Texas has witnessed the terrible outcomes that can result when this condition is untreated. While some women in this coverage group have greater incomes, many are below poverty, and 100% of their infants will qualify for Medicaid. Ensuring access to mental health care is critical to a healthy birth.
7. **End-Stage Renal Disease (ESRD) and dialysis patients:** help adjusting to a life-threatening chronic illness.
8. **Homeless parents:** while we often think of the homeless mentally ill, parents with dependent children who lose their homes often need counseling or social work services to help cope with—and recover from—their financial crisis.
9. **Assisted living and rehabilitation facilities' patients:** as with nursing home clients, both seniors and young adults often need help adjusting when traumatic injury or illness has resulted in loss of independence and function.
10. **Hospice patients:** terminally ill patients sometimes require an element of counseling or social work care as part of their end-of-life care.
11. **Chronically mentally ill residents living in the community:** public health clinic officials, an urban psychiatric emergency service administrator, and a mental health consumer all reported that access to counseling services is critical to proper diagnosis and treatment, maintaining compliance with medication regimens, preventing costly hospitalizations, and preventing arrests and incarcerations. Because wait times of several weeks to see a psychiatrist are common (even after a crisis stabilization or hospitalization), the ability to refer clients to counseling services is critical to prevent relapse following a psychiatric emergency;
12. **Registered sex offenders:** significant numbers of registered sex offenders receive therapy via Medicaid which is critical to preventing more offenses, and an issue of public safety.

Who They Are:

- The aged and disabled group consists of 60% folks living on SSI, which means **living on \$579 per month in 2005** – less than 75% of the poverty line. The other 40% actually have higher incomes, but by definition they are turning over most of their income (i.e., all but their \$45 personal needs allowance) to a nursing home or a residential setting – in some cases they may actually have less to spend than the SSI clients! **Thus, very, very few will ever be able to afford to replace these services now that Medicaid has stopped covering them.**
- The TANF parents and those poor enough for TANF consist of parents with dependent children with incomes less than \$188 per month for a family of 3 (\$308 per month if they are working—working 10 hours or more per week at minimum wage of \$5.15 would make a mother of 3 exceed \$48/week, and lose TANF).
- Only the women receiving Medicaid maternity coverage can have significant income; the cap for coverage is 185% FPL or \$1,978 per month for a married couple.

Contact: Anne Dunkelberg, dunkelberg@cphp.org
