

Protect Medicaid: Oppose Funding Cuts to Health Care Coverage for Over 70 Million Americans

Coalition for Whole Health Report

Executive Summary

The Coalition for Whole Health (Coalition) urges Congress not to cut funding or otherwise undermine access to Medicaid. Medicaid is a lifeline for the more than **70 million Americans** who rely on the program for access to health care. We advocate for the nearly **40% of nonelderly adult Medicaid enrollees – 13.9 million people – with a mental health condition and/or substance use disorder** who depend on Medicaid for critical health services.

We urge Congress not to use the Medicaid program to pay for other legislative priorities.

Medicaid plays a key role in access to care for people with **MH conditions and SUD** and is vital to ongoing efforts to address the **overdose crisis**.

- Medicaid is the single largest payer of mental health (MH) and substance use disorder (SUD) care as the U.S. loses nearly [300 people a day](#) to drug overdose and nearly 50,000 a year to suicide.
- Medicaid funds the full range of MH, SUD and integrated health care in clinics, hospitals, doctors' offices and nursing homes as well as vital home and community-based services and transportation to care.
- In 2023, about 30% of [adults who needed but did not receive SUD treatment](#) cited lack of coverage and/or unaffordability as the reason.

We urge Congress to **oppose** any changes to Medicaid's financing structure, including but not limited to:

- ❖ Block grants
- ❖ Per capita caps
- ❖ Cuts to the federal medical assistance percentage
- ❖ Cuts to eligibility and benefits
- ❖ Making Medicaid coverage less affordable
- ❖ Barriers to coverage like work requirements and other policies that add red tape to enrollment

Any of these changes would lead to:

- Coverage losses
- Reduced access to MH and SUD treatment
- Difficulty managing co-occurring chronic medical and MH/SU conditions
- Increased use of costly emergency departments
- Poorer health outcomes, including more deaths by suicide and overdose

Medicaid is a vital lifeline for people across the U.S. at critical times in their lives. Visit [That'sMedicaid](#) to see how Medicaid has impacted people in your state.

Oppose All Cuts to Medicaid!!!

Protect Medicaid: Oppose Funding Cuts to Health Care Coverage for Over 70 Million Americans

Coalition for Whole Health Report

Medicaid Provides Access to Critical Mental Health and Substance Use Services and is an Essential Tool in the U.S. Response to the Drug Overdose and Suicide Crises

The Coalition for Whole Health (Coalition) urges Congress not to cut funding or otherwise undermine access to Medicaid. Medicaid is a lifeline for the more than **70 million Americans** who rely on the program for access to health care. We advocate for the nearly **40% of nonelderly adult Medicaid enrollees with a mental health (MH) condition and/or substance use disorder (SUD)** who depend on Medicaid for critical health services.

We urge Congress not to use the Medicaid program to pay for other legislative priorities.

The Coalition is a broad alliance of over 150 national, state, and local organizations in the MH condition and SUD prevention, treatment, and recovery communities. Established in 2009 to ensure federal health care reform legislation equitably included MH and substance use-related conditions, the Coalition has worked the last several years to ensure the Affordable Care Act is working for people with MH and SUD care needs.

Medicaid provides critical access to **health care services**:

- ❖ Inpatient and outpatient hospital services
- ❖ Physician services
- ❖ [Rural health clinic services](#) and [federally qualified health center services](#)
- ❖ Lab and x-ray services
- ❖ [Home and community-based services](#) for older adults, people with disabilities, and people with MH conditions or SUD
- ❖ Nursing facility services
- ❖ [Early and Periodic Screening, Diagnostic, and Treatment \(EPSDT\) services](#) for children
- ❖ [Medication Assisted Treatment](#)
- ❖ Transportation to medical services
- ❖ Integrating MH and SUD care with medical and specialty care

Cuts to the Medicaid program would have impacts on people across demographics, but more acute impacts on people who are already more vulnerable, including:

- ❖ Children
- ❖ Older people
- ❖ Adults and children in crisis
- ❖ People living in rural areas
- ❖ People with disabilities
- ❖ People with co-occurring medical and MH/SUD conditions
- ❖ People reentering from prisons/jails

The Case for Medicaid: The Data

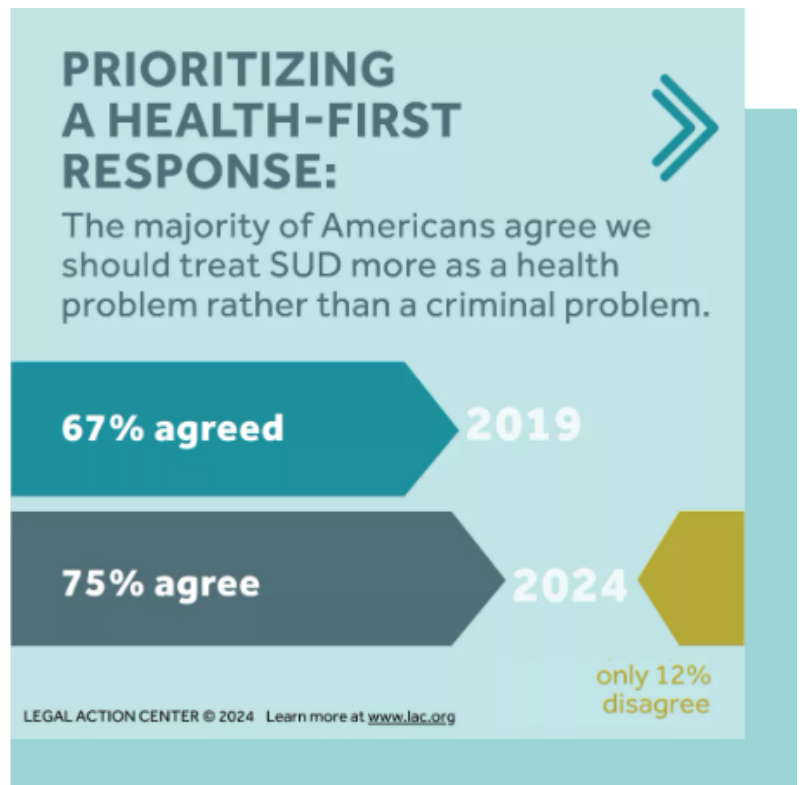
- ❖ [Medicaid plays a key role](#) in access to care for people with MH and substance use conditions. Nearly 40% of the nonelderly adult Medicaid population (13.9 million enrollees) had an MH condition or SUD in 2020.
- ❖ Medicaid is playing a key role in addressing the [overdose crisis](#) as it is the single largest payer of MH and SUD care in the country. Although [U.S. overdose deaths](#) decreased in 2023 for the first time since 2018, the U.S. is still losing nearly 300 people a day to drug overdose.
- ❖ Close to 30% of [people receiving coverage through the Medicaid expansion](#) of eligibility have an MH condition and/or an SUD.
- ❖ States that [expanded Medicaid](#) eligibility saw improvements in access to medications and services for MH conditions and SUD after expansion.
- ❖ Roughly 40% of people with chronic medical illness also have MH/SU conditions. [Research](#) has shown that when people with co-occurring chronic medical and behavioral health conditions aren't able to access MH/SUD services, they have significantly poorer health outcomes at increased cost to the health care system.
- ❖ Medicaid expansion of eligibility decreased [suicide mortality](#) by increasing access to MH coverage.
- ❖ [Studies](#) show Medicaid expansion of eligibility has significantly increased outpatient and preventive care, reduced emergency department use and medication lapses due to cost, and improved self-reported health.
- ❖ In 2023, approximately 30% of [adults who needed but did not receive SUD treatment](#) cited not having coverage and/or being unable to afford the cost of care as the reason. Likewise, adults who needed but did not receive MH care most commonly cited the same reasons.

The Case for Medicaid: Advancing Innovation and Providing State Flexibility to Address Local Needs

- ❖ **Medicaid Reentry:** As of January 2025, [more than half of all states](#) have developed or are developing their own [Medicaid Reentry Section 1115 Demonstration Projects](#), with 19 states having received federal approval of their demonstration.
- ❖ **Medicaid Mobile Crisis Services:** [Thirty-three](#) states use Medicaid funding to provide mobile crisis services to people in an MH or SUD crisis when and where they are needed.
- ❖ **Addressing Needs of High-Risk Populations:** More than 30 states have either approved or pending [1115 waiver demonstration flexibilities](#) to test new approaches to addressing the specific needs of high-risk populations, like children and adults with complex mental health needs and/or SUD conditions, to more effectively improve health outcomes, avoid suicide and overdose, and lower overall health care costs in the Medicaid programs.

The Case for Medicaid: Strong, Diverse Public Support

- ❖ Nearly two-thirds (65%) of Americans know someone who is struggling or has struggled with SUD, a dramatic increase in just four years when less than half of those polled (44%) knew someone affected by SUD.
- ❖ 80% of Americans think that SUD treatment should be readily available and accessible to all.
- ❖ Three-fourths (77%) of the public holds favorable views of Medicaid.



The Case for Medicaid: Our Stories

The following stories were pulled from the [That's Medicaid website](#), an RWJF-led effort to share stories of people covered by Medicaid at critical points in their lives.



Robert R. / Oakhurst, New Jersey

Robert had health insurance intermittently throughout his life before a bladder infection in 2017 left him in the hospital and in need of surgery. He obtained temporary Medicaid there and eventually received full-time coverage upon being discharged.

Robert had jobs on a horse farm and at a racetrack in New Jersey, but those were often seasonal positions that did not come with benefits. The program is helping him with health issues such as addiction, depression, and high cholesterol, providing medication, doctor visits, and therapy needed for his conditions.

“Medicaid has been a godsend,” he says. “It is better than anything I ever expected.”



Stacia T. / Cottonwood, Arizona

Stacia suffered from SUD and coinciding MH symptoms for many years, which eventually caused her to lose her home, custody of her children, and almost her life. After hitting rock bottom, Stacia checked herself into a facility that treats substance use and MH issues holistically. Medicaid covered Stacia's stay as she worked to recover from years of addiction.

Stacia graduated and has stayed sober. Two years later, she was hired by the facility that helped save her life. Now the lead behavioral health worker, she helps patients through the same challenges that she overcame.



Danielle A. / Sheridan, Wyoming

Danielle had just launched her new house cleaning business when the COVID-19 pandemic began causing her business to struggle. She was now responsible for teaching her first-grade son at home while trying to pay her mortgage and childcare expenses.

A friend recommended she apply for Medicaid, and Danielle was soon accepted. As a recovering alcoholic and prone to depression, Danielle quickly sought mental health support.

Valuable case management support and a nurse practitioner have continued to help Danielle, and a mental health therapist has been by her side as she gets back on her feet.

"I really credit Medicaid for saving my life because my mental and emotional health were so poor," Danielle says. "If I wouldn't have gotten that help, I don't know where I'd be."

Cuts or Changes to Medicaid's Financing Structure Will Harm People with MH and Substance Use-Related Conditions

Any efforts to cut Medicaid, whether through restructuring Medicaid financing, making other cuts to federal funding that will shift costs to states, reduce eligibility or benefits, or add barriers to coverage such as work requirements would severely harm the people we represent by making it more difficult for them to access health coverage and essential MH/SUD and other needed health services, medications, and supports and must be rejected. The Coalition opposes any changes to Medicaid's financing structure, including but not limited to:

- ❖ Block grants
- ❖ Per capita caps
- ❖ Cuts to the federal medical assistance percentage (FMAP)
- ❖ Cuts to eligibility and benefits
- ❖ Proposals that make Medicaid coverage less affordable to patients; and
- ❖ Additional barriers to coverage like work reporting requirements and other policies that add red tape to enrollment

Any of these harmful changes would lead to:

- ❖ Coverage losses
- ❖ Reduced access to MH and SUD treatment
- ❖ Increased difficulty managing co-occurring chronic medical conditions and MH/SUD
- ❖ Increased use of costly emergency departments; and
- ❖ Poorer health outcomes, including more deaths by suicide and overdose

Making fundamental changes to how Medicaid is financed would put significant pressure on **state budgets** and force state lawmakers and Medicaid administrators to do one or more of the following:

- ❖ Raise revenue
- ❖ Eliminate coverage for certain people
- ❖ Reduce services provided
- ❖ Cut reimbursement rates for doctors, hospitals, and other providers; and/or
- ❖ Reduce payments to managed care plans, which would lower provider rates and/or employ other practices to limit access to care

Make Your Voices Heard

For more information about how to amplify the vast importance of Medicaid as a lifeline for millions of individuals and families nationwide, and in particular, those in reentry and/or who are struggling with substance use and mental health issues, [visit the Legal Action Center's Website for media templates and other resources here.](#)

This document is informational and does not constitute legal advice.

www.lac.org © January 2025 Legal Action Center