

# Investing in Indiana

## Medicaid and Access to Services for People with Mental Illness and Substance Use Disorders

### Addiction and mental illness in Indiana

- [4.5 percent](#)<sup>1</sup>, or over [300,000](#) people, in Indiana have a serious mental illness, and these individuals are among our most vulnerable citizens.
- Tragically, 1,245 Hoosiers lost their lives to drug overdoses in 2015, a 7 percent increase over 2014 and one of the higher rates in the country.<sup>2</sup>

### Medicaid is an essential source of funding for behavioral health services in Indiana

Indiana is a Medicaid Expansion state, and currently receives a [65.59 percent](#)<sup>3</sup> matching rate from the federal government for regular funding for Medicaid services. Along with the match rate for expansion populations, these federal funds provide important support to the state in a time of increasing pressure on the state budget. According to the National Association of State Budget Officers, 2016 budget revenues in Indiana were lower than projected and are projecting lower revenue collections for 2017.<sup>4</sup> Over the course of a year and a half alone, Medicaid expansion brought [\\$610 million](#) in federal dollars into the state economy.<sup>5</sup> Unfortunately under current state provisions, Indiana will end its expansion program if the enhanced federal match rates are lowered, eliminating coverage for thousands of newly insured individuals.<sup>6</sup>

- [1,280,300](#) Hoosiers are enrolled in Medicaid.<sup>7</sup>
- Over 400,000 Hoosiers are enrolled in the Medicaid Expansion, and the numbers continue to grow. Approximately 70 percent of expansion enrollees chose to enroll in the HIP Plus plan (requires contributions with more coverage).<sup>8</sup>

### Recent research has found that access to health care leads to greater economic mobility across generations.

Increased access to Medicaid has led to decreased infant mortality, improved education outcomes, decreased rates of depression, and improved employment.<sup>9</sup> In the first year alone, HIP 2.0 brought in over 7,500 new health care providers into the program, a 75% decline in charity care and 71% decline in bad debt.<sup>10</sup>

States that have expanded Medicaid have seen major reductions in uncompensated care delivered by safety net institutions, significant drops in the number of uninsured, and budget savings for hospitals and community health clinics.<sup>11</sup>

<sup>1</sup> State Estimates of Adult Mental Illness from the 2011 and 2012 National Surveys on Drug Use and Health (Feb 2014). <http://archive.samhsa.gov/data/2k14/NSDUH170/sr170-mental-illness-state-estimates-2014.htm>

<sup>2</sup> Centers for Disease Control and Prevention, <https://www.cdc.gov/drugoverdose/data/statedeaths.html>

<sup>3</sup> Federal Medical Assistance Percentage (FMAP) for Medicaid and Multiplier (2017). Kaiser Family Foundation. <http://kff.org/medicaid/state-indicator/federal-matching-rate-and-multiplier/?currentTimeframe=0>

<sup>4</sup> [Fiscal Study of the States Fall, 2016](#)

<sup>5</sup> Families USA, <http://familiesusa.org/product/defending-health-care-2017-what-stake-Indiana>

<sup>6</sup> Inside Health Policy (Feb 2017). <https://insidehealthpolicy.com/daily-news/eight-states-will-stop-medicaid-expansion-if-congress-reduces-fmap>

<sup>7</sup> Kaiser Family Foundation. <http://kff.org/health-reform/state-indicator/medicaid-expansion-enrollment/?currentTimeframe=0>

<sup>8</sup> HIP 2.0 Successes from First Year Evaluation (2017). Healthy Indiana Plan Fact Sheet.

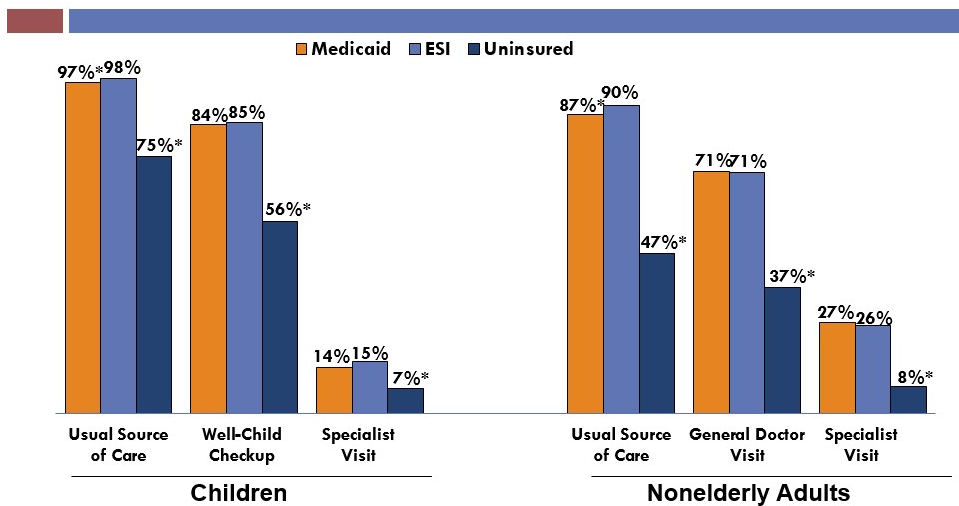
<sup>9</sup> Health and Economic Opportunity: Webinar Recording. Atheendar Venkatarami and Rourke O'Brien (Sept 14, 2016).

<https://www.youtube.com/watch?v=DBvmSJeTTjs>

<sup>10</sup> HIP 2.0 Successes from First Year Evaluation (2017). Healthy Indiana Plan Fact Sheet.

<sup>11</sup> [Beyond the Reduction in Uncompensated Care: Medicaid Expansion Is Having a Positive Impact on Safety Net Hospitals and Clinics.](#) by

## Medicaid and private insurance provide similar access to care – the uninsured fare far less well.



NOTES: Access measures reflect experience in past 12 months. Respondents who said usual source of care was the emergency room are not counted as having a usual source of care. \*Difference from ESI is statistically significant (p<.05)  
 SOURCE: KCMU analysis of 2014 NHIS data.

### Medicaid Saves Lives and Money

- The HIP 2.0 Medicaid Expansion program has galvanized the state to improve investment in substance use services, and are submitting requests to the federal government for permission to provide detox services in Institutes for Mental Disease (IMD) hospitals, add residential services to Medicaid, and add addiction services to Medicaid.<sup>12</sup>
- Of those enrolled in the HIP Plus plan (Medicaid Expansion program), 87 percent received preventive services, 31 percent visited their primary care provider, 84 percent improved in adherence to medications, and Emergency Room visits decreased.<sup>13</sup>

*For those consumers fortunate enough to obtain Indiana's buy-up HIP 2.0 "Plus" by making a "Power Account Contribution" (or having one made for them by a charity), the co-pay for services disappears. That is particularly valuable for people very early in addictions treatment who are ambivalent about their need and participation. The co-pay issue is taken off the table. - provider in Indiana in the National Council 12/2016 Medicaid Survey*

*The costs do not go away if you don't fund the service. They show up in uncompensated care, increased costs to the corrections and legal system and increased disruption in the lives of individuals, families and organizations who are interacting with individuals with a mental illness or SUD who are unable to access what they need to live successfully in their community of choice -- Mental health provider in New Hampshire (National Council Medicaid Study, 12/2016)*

Adam Searing, Georgetown University Center for Children and Families and Jack Hoadley, Georgetown University Health Policy Institute, June 2016

<sup>12</sup> HIP 2.0 (2017) Healthy Indiana Plan Summary and Requests to CMS.

<sup>13</sup> HIP 2.0 (2017) Healthy Indiana Plan Summary and Requests to CMS.