

Date: October 31, 2024
To: WI Department of Health Services
Re: Comments on SMI/SED Medicaid 1115 Waiver Application

The Wisconsin County Human Services Association (WCHSA) enthusiastically support the Medicaid 1115 waiver application by the Department of Health Services (DHS) to serve persons age 21 to 64 with serious mental illness (SMI) or serious emotional disturbance (SED) who need mental health treatment in an institution for mental disease (IMD).

The SMI/SED waiver to allow Medicaid reimbursement for mental health treatment in IMD facilities for persons age 21 to 64 will be a great improvement in the mental health treatment system. Medicaid reimbursement is currently allowed for persons under 21 and over 65 receiving mental health treatment in IMD facilities, so Medicaid reimbursement should be allowed for all age groups. The SMI/SED waiver will also provide parity with the existing waiver allowing Medicaid reimbursement for persons receiving substance use treatment in IMD facilities.

The federal exclusion against IMD facilities receiving Medicaid reimbursement for mental health treatment was based on the past national perception dating back to the 1970s that IMD facilities were used to warehouse persons with SMI/SED on a long-term basis and not providing active treatment. At that time, there were limited options to effectively serve persons with SMI/SED in the community. The current reality is that IMD facilities play a critical role in providing acute care to persons in crisis and IMD stays are generally short in duration to stabilize persons so they can return to the community. Allowing Medicaid reimbursement for acute care will allow IMD facilities to improve their programming and equalize Medicaid reimbursement across the different types of mental health treatment providers.

County human service departments are responsible for providing behavioral health services to the low-income population, including persons covered by Medicaid. County behavioral health programs serve the SMI/SED population by responding to persons in crisis and providing community-based services to avoid the need for in-patient hospital care. For persons who are hospitalized in IMD facilities, county behavioral health programs work closely with the IMD facilities to discharge persons quickly once their condition is stabilized and it is safe for them to return to the community.

WCHSA understands the details of the SMI/SED waiver will be negotiated with the federal government and there will be ongoing opportunities for counties to provide input as the waiver application goes through the federal review process. WCHSA will work collaboratively with DHS to provide input as the waiver is negotiated and implement the waiver once it is approved at the federal level.

One comment WCHSA has at this point pertains to persons age 21 to 64 receiving long term support services through the Wisconsin Family Care program Medicaid home and community based services waiver. Currently in situations where Family Care participants are admitted to an IMD facility for mental health treatment, the Medicaid coverage for the Family Care participant ends due to the IMD exclusion and the person is disenrolled from Family Care. Disenrollment from Family Care complicates discharging the person from the IMD facility back to the community because the Family Care agencies are responsible for arranging community care for the person once Medicaid is restored.



As a result of the gap in Medicaid coverage, county behavioral health programs are stuck with the cost of the IMD stay but do not have control over the community services to discharge the person. The SMI/SED waiver will allow the person to remain Medicaid eligible while in the IMD, so the Family Care agency can continue to serve the person. As the details of the SMI/SED waiver are determined, WCHSA will work with DHS to recommend changes to the Family Care program to better serve Family Care members during IMD stays covered by the SMI/SED waiver.

Thank you for the opportunity to comment on the SMI/SED waiver.

Sincerely

John Tuohy

John Tuohy
WCHSA Executive Director