NAMD
National Association of Medicaid Directors

FEDERAL POLICY BRIEFS

Reducing Disparities in Behavioral Health

Disparities in Behavioral Health Conditions and Treatment Access

Over the past decade, there have been alarming increases in behavioral health disparities. From 2015 to 2020, there were sharp increases in fatal overdose rates among Black and American Indian/Alaska Native (AI/AN) communities, with the rate tripling for Black men and doubling for AI/AN women; Black men and AI/AN women now experience the highest fatal overdose rates nationally. Similarly, AI/AN communities experience the highest suicide rates, and from 2014 to 2019, suicide rates increased among Black, Asian, and Pacific Islander individuals.

These trends may be partially driven by racial disparities in substance use and mental health treatment access. Black and Latino/Hispanic patients are less likely to receive medications for opioid use disorder (like buprenorphine and methadone) and less likely to complete substance use disorder treatment. Black Americans are also significantly more likely to experience a justice system response to substance use: although Black and White Americans use and sell drugs at similar rates, Black Americans were approximately twice as likely as White Americans to be arrested for drug offenses in 2019.

There are similar disparities in treatment access for mental health conditions. Although Black, White, and Hispanic Americans report similar levels of anxiety and depression, Black adults are significantly less likely to receive treatment. Addressing these disparities is crucial to ensuring all people can access high-quality, affordable behavioral healthcare.

44% Increase in the fatal overdose rate among Black men from 2019 to 2020

Medicaid and CHIP's Role

Nationally, Black, Hispanic, American Indian/Alaska Native, and Native Hawaiian/Pacific Islander people are significantly more likely to be insured by Medicaid/CHIP than White people. As the single largest payer for behavioral health services, Medicaid and CHIP are important access points for behavioral health treatment and can play a significant role in closing racial disparities in care.

There are many factors that may drive disparities in behavioral health treatment access:

- **Lack of diversity in the workforce.** Behavioral health providers in the United States are disproportionately White, despite research showing improved outcomes when patients can see a behavioral health provider of their own race or ethnicity.
- **Health-related social needs**. Racial disparities in access to stable housing, transportation, and the internet can make it more difficult to access treatment.
- **Fear of legal consequences.** Research has shown that Latino and Black men may avoid treatment due to fears around immigration status and arrest, respectively. Pregnant women and mothers may also avoid treatment due to fears of legal consequences or losing custody of their children.

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Opportunities for Federal Action

- **Work across agencies to address health-related social needs.** Ensuring that Medicaid members can access housing, transportation, and the internet will require broad, cross-sector approaches. Federal agencies – including CMS, SAMHSA, the Department of Justice, and the Department of Housing and Urban Development – should develop a shared strategic framework for addressing these needs, and align guidance and reporting requirements to support states in braiding funding streams across federally-funded programs.
- **Increase the diversity of the behavioral health workforce.** Congress and HHS should work to increase the diversity of the behavioral health workforce. This could include creating funding mechanisms for training programs and providing technical assistance to states on building robust non-licensed workforces (e.g., peer support workers and community health workers). Congress and HHS should also ensure that behavioral health providers can participate in the Medicaid program by funding electronic health records and other health IT.
- **Address disparities in access to medications for opioid use disorder (MOUD).** At the start of the COVID-19 pandemic, HHS and the Drug Enforcement Agency created new flexibilities around buprenorphine and methadone. These flexibilities should be made permanent to increase access to MOUD.
- **Support the development of robust crisis response systems.** Ensuring that people who are experiencing a behavioral health crisis access treatment instead of the justice system is crucial. The American Rescue Plan created new opportunities for Medicaid to fund mobile crisis teams, but Medicaid Directors report barriers to taking up this option. HHS and Congress should enact flexibilities around the 24/7 requirement in the mobile crisis option, exempt crisis stabilization centers from the "institutions for mental diseases" exclusion, and support states in developing multi-payer funding mechanisms for crisis response
- **Allow Medicaid to provide pre-release coverage for people who are incarcerated.** Research shows that individuals are significantly more likely to overdose during re-entry from incarceration. Given the United States' large racial disparities in incarceration, this may exacerbate racial disparities in the fatal overdose rate. Federal policymakers should create an option for states to provide Medicaid coverage up to 90 days pre-release, which would help ensure access to behavioral health services during re-entry.

Supporting State Innovation

Many states have already launched efforts to address disparities in behavioral healthcare. Since FY 2020, Michigan's Medicaid Agency has used capitation rate withholds to incentivize managed care organizations to reduce disparities in behavioral health metrics. California's new CalAIM initiative – which uses Section 1115 and 1915(b) waivers – will seek to close racial disparities in care by increasing access to behavioral health services, community supports (like housing and nutrition), and comprehensive re-entry services. Montana's Section 1115 demonstration includes an explicit focus on closing behavioral health disparities for American Indians and Alaska Natives (AI/AN), including by funding evidence-based treatments for stimulant use disorders.

You can read more about state actions to improve the behavioral healthcare system in NAMD's Medicaid Forward: Behavioral Health report.

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The National Association of Medicaid Directors has developed the Federal Policy Briefs series to highlight federal opportunities to improve the accessibility, affordability, and quality of health care services delivered through the Medicaid program