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Good Afternoon Co-Chairs Senator Baldacci, Representative Meyer and members of the Health and Human Services Committee. I am here today to testify in favor of LD 445 the Resolve, Directing the Department of Health, and Human Services to Apply for a Waiver from the Federal Government for the Medicaid Limitation on Payment to a Facility with more than 16 Inpatient Beds for Psychiatric Treatment.

My name is Pat Kimball and I am retired from working in the field of substance use disorders and mental health for over 30 years. This bill is requesting that the State of Maine apply for a waiver from Medicaid regarding the regulation referred to as the Institute for Mental Disorder or IMD. This regulation and the impact of this is very familiar to me as for the last 10 years of my work I was the executive director of two facilities that were regulated and limited by the IMD. I can share with you today that if I could have just expanded my program by 3 or 4 beds lives would have been saved, and we would have been able to decreased our wait lists. This Medicaid regulation is outdated, is not based on current best practice or research, and needs to be eliminated. There are many working nationally to change and eliminate this rule but in the best interest of Maine citizens who have a mental health disorder or brain disorder this waiver is the quickest way to improvement access to treatment.

I am very grateful that the State of Maine in 2020 took a courage step in applying for a waiver for the IMD but did so only for substance use disorder treatment programs. Although it was an excellent decision, I think it need to include mental health. This waiver request would expand to include mental health. I do not fully understand why mental health was left out of the first waiver but at this point it does not matter, what does matter is that we apply for another waiver which would include mental health treatment.

For the past two years I have been working with a group who is trying to breakdown the wall of discrimination and increase access to treatment for those who have a brain disorder. In my research I came across this paper that I think describes well the reasons that the IMD exclusion is no longer helpful to those in need of treatment. I have included some of the findings of this report and would encourage you to review it.

This information was taken from a research paper: The Medicaid IMD Exclusion and Mental Illness Discrimination by The Office of Research & Public Affairs in August of 2016. These are exact exerts from this report.

SUMMARY

The Medicaid Institutions for Mental Disease (IMD) exclusion is an outdated, discriminatory federal rule that creates significant barriers to treatment for adults with severe mental illness. Under this rule, Medicaid payments to states are prohibited for non-geriatric adults receiving psychiatric care in a treatment facility with more than 16 beds.

Even with recent advances in mental health care afforded by the Affordable Care Act and federal parity legislation, the IMD exclusion remains the only section of federal Medicaid law that prohibits

federal payment for medically necessary care simply because of the type of illness being treated. This categorically discriminatory rule is a leading cause of our national psychiatric hospital bed shortage and directly contributes to a host of negative consequences for those with the most severe mental illnesses.

BACKGROUND

The IMD exclusion was included in the law when Medicaid was enacted in 1965. At the time, there was hope that large inpatient facilities would be quickly rendered obsolete by advancements in new antipsychotic medications that allowed some people with serious mental illness to live safely in the community for the first time. The reasoning behind the IMD exclusion prohibiting reimbursement was thus twofold: disincentivize the treatment of the mentally ill in large institutions and shift the costs for psychiatric treatment from the federal government onto the states.

IMPACT

The economic impacts of the IMD exclusion have also been tremendous. While it does cost money to provide inpatient treatment to individuals with mental illness, cost savings from restricting inpatient care is largely an illusion. Studies show that short-length hospitalizations of individuals in psychiatric crises are associated with higher rehospitalization rates. In fact, a study by the federal Agency for Health Research and Quality within HHS found that, for Medicaid patients, mental illness conditions were two of the top three causes of 30-day inpatient readmissions. Along with diabetes, these three conditions resulted in approximately \$839 million in hospital costs in 2011 alone. Also costly are the forensic beds, jail and prison cells and homelessness services that become the default care sites for individuals in need when a bed is not available

CONCLUSION:

The IMD exclusion is a discriminatory federal rule that prohibits federal Medicaid reimbursement to states for adult patients receiving mental health or substance abuse care in a psychiatric or substance abuse treatment facility with more than 16 beds. The IMD exclusion is the only section of federal Medicaid law that prohibits federal payment to help states cover the cost of providing medically necessary care to Medicaid beneficiaries.

The IMD exclusion has greatly contributed to the nation's psychiatric hospital bed shortage, which results in non-treatment of acute and chronic serious mental illness and the innumerable bad outcomes resulting from non-treatment. While significant steps are being made at the federal level to reform the IMD exclusion, a full repeal that extends to all Medicaid beneficiaries and without arbitrary inpatient-day limitations, will ultimately be necessary to address these issues

-----I In my community I hear daily the concerns about mental health and the impact it has on our lives and our safety. We have a current system with more road blocks to treatment than we do open doors. This bill gives Maine the opportunity to open doors, to increase access to much needed beds and to ensure our citizens are receiving care that will improve their lives not end them. I leave you with one question, if the expansion was a good idea for substance use disorders why is it not a good plan for those who have a mental illness? Thank you very much for your time and I would be happy to speak with you or answer any questions you may have. Please consider voting for this bill to move forward.

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