



New Partners, New Savings

How the Criminal Justice, Mental Health and Substance Use Disorders Communities Can Strengthen State Medicaid Expansion Campaigns

15 million Americans who are currently uninsured could gain Medicaid coverage under the Affordable Care Act (ACA), including 2.7 million uninsured people with a mental illness or substance use disorder. Whether these people become eligible for Medicaid, however, is left to states to decide. Medicaid expansion will not only provide much needed services to people suffering from mental health and addiction, it can also significantly lower costs related to criminal justice. This memo outlines the ways in which the Medicaid expansion can save states money through lowering criminal justice costs, and provides examples of how health care advocates are working with the mental health, substance use disorder and criminal justice communities to encourage states to take up the Medicaid expansion.

Opportunities for States to Save Money from Lowered Criminal Justice Costs

Inpatient Health Care Services for Inmates

The most direct way the Medicaid expansion can reduce a state's criminal justice costs is through savings to state and county correctional facilities for health care costs of inmates. Medicaid can cover some prisoners' costs if they are admitted to a facility (hospital, nursing home, intermediate care or juvenile psychiatric hospital) for more than 24 hours *and* meet the state's Medicaid eligibility criteria. Most of the current prison population is not currently eligible for Medicaid (unless the state optionally covers adults under age 65 who are not pregnant or have disabilities, which most do not). However, in all states that take up the expansion, this population will gain eligibility in January (for outpatient stays exceeding 24 hours). This potential shifting of inmate health care costs could mean huge savings for states.

In Michigan, the Senate Fiscal Agency estimated the state would save \$32.3 million through reduced corrections health care costs if the state expands its Medicaid program.¹ An Urban Institute report put the estimated savings in Ohio at \$15 million in FY2014, rising to \$34 million by FY2022, if the state expands its Medicaid program.²

Savings: Reduced Crime and Recidivism

The second, and less direct, way the Medicaid expansion can reduce state costs is through a reduction in crime and recidivism. Roughly 60 percent of inmates in state prisons and jails have some form of mental illness.³ If mental illness and substance use disorder are treated (treatment

¹ <http://www.senate.michigan.gov/sfa/Publications/Issues/MedicaidExpansion/MedicaidExpansionProposal.pdf>, page 3

² <http://www.urban.org/uploadedpdf/412772-Expanding-Medicaid-in-Ohio-Report.pdf>, page 9

³ http://www.cochs.org/files/medicaid_expansion/2011_ND_Medicaid%20Expansion_DuBose.pdf

services are available to people under the ACA) we can attempt to prevent a first crime or recidivism and help lower states' rising criminal justice costs. In addition to savings in state spending on criminal justice, states could see economic growth due to increased productivity of those who would otherwise be incarcerated.

When Washington state expanded its Medicaid coverage to low-income childless adults, the state saw a reduction of up to 33 percent in rates of re-arrest for those who were treated for substance use disorders, as compared to those in need of but not receiving these treatments. This resulted in the state saving estimated \$5,000 - \$10,000 for each person treated.³

In a recent study highlighted by *Think Progress*, researchers found that psychiatric patients with access to affordable outpatient mental health care and medications cost one-third less than those who did not get continuous treatment when both health care and criminal justice costs were considered.⁴

Opportunity to Engage New Partners in Medicaid Expansion Campaigns

There are numerous opportunities for and examples of engaging partners and allies in this work. At the national level, active behavioral health groups include the [Coalition for Whole Health](#)⁵, [Faces & Voices of Recovery](#)⁶, the [National Council on Alcohol and Drug Dependence](#)⁷, the [State Associations of Addiction Services](#)⁸, and the [Parity Implementation Coalition](#)⁹, among others. The goals of these groups are to expand coverage and obtain comprehensive health benefits for those newly and currently enrolled through affordable and adequate provider networks and to ensure all mental health benefits are covered at parity. Many of these national groups have affiliates or partners in the states, where similar partnerships can develop.

Examples of successful partnerships

Criminal Justice Community: [Fight Crime: Invest in Kids](#)¹⁰ is a national, nonpartisan, non-profit anti-crime organization of more than 5,000 police chiefs, sheriffs, prosecutors, attorneys general and other law enforcement leaders. Fight Crime: Invest in Kids is working across the country to help children succeed in all aspects of life.¹¹ The organization is working with police chiefs, sheriffs and others in the criminal justice community in Maine, Michigan, and Ohio to encourage states to take up the Medicaid expansion by sending letters to policymakers and writing op-eds that detail the benefits of expansion for children and youth in their states. They believe that children will fare better when their parents are covered, and that crime will be reduced when adults and children have adequate health care – especially behavioral health coverage.

⁴ <http://thinkprogress.org/health/2013/06/27/2224171/mental-health-care-prison-population/>

⁵ <http://www.coalitionforwholehealth.org/>

⁶ <http://www.facesandvoicesofrecovery.org/>

⁷ <http://www.ncadd.org/>

⁸ <http://www.saasnet.org/>

⁹ <http://parityispersonal.org/>

¹⁰ <http://www.fightcrime.org/>

¹¹ <http://www.fightcrime.org/state/usa/about-us>

Mental Health Advocates: The [National Alliance on Mental Illness, Ohio](#)¹² (NAMI OH) is a grassroots organization of mental health consumers and providers, family members of people with serious mental illness, community mental health boards, and others who advocate to improve care and resources for persons with serious mental illness.¹³ They recently undertook a project to videotape 27 members of their organization who have mental illness or have family members with mental illness. The members were asked to talk about advocacy priorities during the state's budget process. The project creators were struck by how almost all of them talked about the importance of Medicaid expansion to the state of OH. The videos included testimony from law enforcement, psychiatrists, and individuals with mental illness. NAMI distributed these videos to email addresses of thousands of stakeholders, legislators, and policymakers, in hopes that personal stories and reflections will make an impact on key constituents and increase the likelihood of Medicaid expansion in all states.

The [National Alliance on Mental Illness, Maine](#)¹⁴ (NAMI ME) is a grassroots organization with a similar makeup and mission to NAMI OH, and works to improve the lives of all people affected by mental illness through support, education and advocacy. Advocates from NAMI ME recently provided testimony to lawmakers in the state about the importance of the Medicaid expansion for the estimated 24,000 individuals in Maine with mental illness, and strongly urged the legislature to take up Medicaid expansion.¹⁵

Substance Use Disorders Advocates: The National Council on Alcoholism and Drug Dependence of New Jersey (NCADD-NJ) has an Advocacy Leadership Program that has trained more than 100 individuals to be the face and voice on New Jersey's most pressing addiction issues. Participants learn to share how addiction has affected their lives to promote good public policy, testify before the legislature, meet with their representatives and understand the details of current legislation, including bills related to ACA implementation. For years, NCADD-NJ Advocacy Leaders have successfully influenced the New Jersey budget process to ensure that no cuts were made to addiction services, even resulting in increases to programs in addiction services.

Georgians for a Healthy Future (GHF), in partnership with the Georgia Council on Substance Abuse (GCSA), have developed and delivered various presentations to educate behavioral health stakeholders regarding addiction as a preventable, treatable chronic health condition from which people can and do recover. These groups included participants at the Georgia Mental Health Consumer Network Annual Conference (more than 500 people); the Georgia School of Addiction Studies (more than 400 people); the Opioid Treatment Provider Association of Georgia (more than 350 people); the Georgia Association of Hospital Social Workers (more than 200 people); and two web-based training where close to 100 people signed on. The purpose of the presentations is to familiarize participants with how the Affordable Care Act, including Medicaid expansion, will affect those seeking, and those in, recovery by providing addiction treatment and recovery services as an essential benefit so that participants can advocate to state legislators and policymakers.

¹² <http://www.namiohio.org/>

¹³ http://www.namiohio.org/about_mental_health

¹⁴ <http://www.namimaine.org/>

¹⁵ <http://www.mainelegislature.org/legis/bills/getTestimonyDoc.asp?id=6298>

Conclusion

The ACA will provide one of the largest expansions of substance use disorder and mental health treatment services ever. In addition to ensuring millions of Americans are able to get the treatment they need, it also provides an opportunity for states to work with the criminal justice system to save the state money. These savings can be achieved directly by lowering corrections health care costs, or indirectly by treating a substance use or mental health illness to reduce crime and recidivism. Fight Crime: Invest in Kids, NAMI OH, NAMI ME, NCADD-NJ, and GHF and GCSA provide encouraging examples of how healthcare advocates can partner with states to encourage lawmakers to take up the Medicaid expansion so all their citizens can obtain affordable, comprehensive substance use and mental health coverage.

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