



National Association of State Mental Health Program Directors

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Board of Directors July 28, 2017

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Brian Hepburn, M.D.
Executive Director
NASMHPD

Dear Chairmen Blunt and Cole and Ranking Members Murray and DeLauro:

The National Association of State Mental Health Program Directors writes to express our grave concerns regarding the 25 percent cut in the Mental Health Block Grant (MHBG) contained in the House Appropriations funding measure for the Department of Health and Human Services, and to ask that it be restored in the Senate and in Conference.

NASMHPD is the organization representing the state executives responsible for the \$41 billion public mental health service delivery systems serving 7.5 million people annually in 50 states, 4 territories, and the District of Columbia.

The House reduction in the MHGB will return State Mental Health Agencies (SMHAs) to a block grant level below 2012 allocation levels, significantly reducing available funding at a time when Congress has indicated an interest in increasing available mental health services, and at a time when Congress proposes eliminating the Medicaid expansion that made mental health services available to an additional 1.8 million new Medicaid enrollees across the nation.

We recognize that the Administration noted, in its FY 2018 budget submission to Congress, that the MHBG constituted only one percent of state funding for mental health services. While that is true, it is one percent of a total that includes the recent increased funding under Medicaid expansion. Medicaid funds cover about 26 percent of the costs of state mental health services. The reduction in both block grant funds and the elimination of Medicaid expansion (and the proposed reductions in Medicaid funding generally) will mean that the largest remaining revenue source, state general funds—currently 60 percent of funding—will either have to increase to cover needed mental health services, or states will have to cut back on available mental health services significantly.

The MHBG covers a number of community-based services essential to recovery that Medicaid cannot statutorily cover, including supportive housing and supported employment. It also covers a number of services that private insurance companies choose not to cover. In addition, it pays for state administrative costs, such as the collection of outcome measures designed to ensure that any services provided with the block grant and Medicaid are cost-effective and evidence-based.

Additionally, Congress has directed the states since 2014 to set aside a portion of the MHBG—5 percent in 2014 and 10 percent since then—to pay for early intervention at the time of a patient’s first episode of psychosis. States have used these moneys to ramp up those services so that, in 2018, there would be close to 200 sites across the nation providing “FEP services” at current funding levels, according to the National Institute of Mental Health and the Substance Abuse and Mental Health Services Administration. The House Committee’s 25 percent MHBG cut will, of course, also cut the 10 percent set-aside by 25 percent, significantly reducing the monies available to states to take the steps to implement measures designed to prevent a patient’s mental illness from growing worse and less treatable following subsequent and increasingly acute episodes of psychosis.

We urge you to continue to protect these vulnerable Americans’ access to and coverage of vital mental health services, and to not reverse the recent progress made with the enactment of key mental health prevention and treatment reforms under the 21st Century Cures Act.

Please feel free to reach out to [me](#) by email or by phone at 703-682-5181 or to NASMHPD’s Director of Policy and Communications, [Stuart Yael Gordon](#), by email or by phone at 703-6827552 with any questions regarding this letter.

Sincerely,

A handwritten signature in black ink that reads "Brian Hepburn". The signature is written in a cursive, slightly slanted style.

Brian Hepburn, M.D.

Executive Director

National Association of State Mental Health Program Directors (NASMHPD)

