

THERE IS NO HEALTH WITHOUT MENTAL HEALTH

It's time
to finally
bring an
end to
discrimination

Modify the Medicaid “Institution for Mental Disease” (IMD) exclusion.



The Medicaid law discriminates against people with mental illnesses. The Institutions for Mental Disease (IMD) exclusion prevents adult Medicaid beneficiaries (ages 21-64) from accessing short-term, acute care in psychiatric hospitals.

- **The IMD exclusion is penalizing the disabled and poor.** People are not getting the psychiatric hospital treatment they need, putting families and communities at risk.
- We are trying to make sure the neediest have access to hospital care when they need it, and right now they don't...and **that's not fair.**
- **This policy adds to system inefficiencies and adds to the cost of care.** It's time to cover psychiatric hospitals as hospitals are covered for any other medical condition.

The challenge:

- **Inpatient beds in the U.S. have dropped** from more than 550,000 beds in 1955 to 40,000 today.
- People with mental and addictive disorders are often **housed in emergency departments (EDs) for days or weeks**, waiting for psychiatric treatment. When EDs are backlogged, everyone suffers as people with other critical illnesses have to wait longer for treatment.
- **People end up in jails** when they can't get access to timely treatment. Up to 70% of all youth in contact with the juvenile justice system have a diagnosable mental health disorder, according to the Mental Health and Juvenile Justice Collaborative for Change.

The solution:

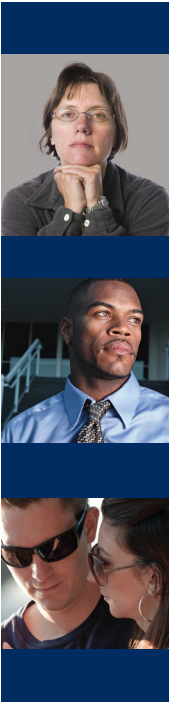
- **A federal demonstration now in progress is showing the value of giving adult Medicaid beneficiaries access to short-term, acute psychiatric hospital care.**
- Preliminary IMD demonstration statistics show that
 - The **length of stay in psychiatric hospitals is very short** (about 8 days).
 - The **vast majority (84%) did not return to the hospital** within a year (low readmission).
 - People seen in the demonstration **went home or to self-care** with hospitals' community partners.

continued

THERE IS NO HEALTH WITHOUT MENTAL HEALTH

Modify the Medicaid “Institution for Mental Disease” (IMD) exclusion.

Background: *continued*



- The Institution for Mental Disease (IMD) exclusion was part of the original Medicaid program enacted in 1965. The IMD exclusion disallows Medicaid federal matching payments for inpatient psychiatric care to Medicaid patients between the ages of 21-64, when those services are provided in state mental hospitals or private, not-for-profit or for-profit freestanding psychiatric hospitals. General hospitals are not considered IMDs.
- The basic intent of the IMD exclusion was to ensure that the states, as opposed to the federal government, would be primarily responsible for the costs associated with inpatient psychiatric treatments. When Medicaid was enacted in 1965, the vast majority of inpatient psychiatric care was provided in state mental hospitals and was long-term in nature.
- According to the Centers for Medicare and Medicaid Services (CMS), “**Due to the IMD exclusion, many Medicaid enrollees** with acute psychiatric needs, such as those expressing suicidal or homicidal thoughts, are diverted to general hospital emergency departments, which often lack the resources or expertise to care for these patients. For the Medicaid beneficiary, this may result first in a delay in treatment, and then when treatment is provided, inadequate care. General hospitals may delay the provision of care until a bed becomes available, or inappropriately assign them to medical beds.” (From <http://innovation.cms.gov/initiatives/medicaid-emergency-psychiatric-demo/>)
- There is a **Medicaid Emergency Psychiatric Care demonstration** in progress under the *Affordable Care Act* to expand the number of emergency inpatient psychiatric care beds available in communities. This is a three-year, \$75 million demonstration project allowing states to cover patients in freestanding psychiatric hospitals and to receive federal Medicaid matching payments for patients ages 21–64. The intent is to demonstrate that covering patients in these hospitals will improve timely access to emergency psychiatric care, reduce the burden on overcrowded emergency rooms, and improve the efficiency and cost-effectiveness of inpatient psychiatric care.
- **There is broad support for eliminating the IMD exclusion.** In response to a Senate Finance Committee open letter to the mental healthcare community requesting input on how to improve the U.S. mental health system, 242 stakeholders responded. A February 2014 [summary](#) noted that “many letters argued that the IMD exclusion has the overly broad effect of preventing Medicaid patients from receiving otherwise quality residential or psychiatric hospital care. In fact, it was asserted that the exclusion prevents a category of care (specifically psychiatric residential or hospital care) that could be critical for some patients in need. A common recommendation was to eliminate this exclusion,” the summary said.
- People tell us **this is a civil rights issue**. A Medicaid insurance card covers hospital treatment for all other conditions, but for adults with mental illness, they say they feel that the system is treating them unfairly. No other disorder limits their choice of hospitals in the way the IMD exclusion does.