April 28, 2020

Dear Speaker Pelosi, Leader McCarthy, Chairman Pallone and Ranking Member Walden:

As you prepare future coronavirus legislation, we strongly encourage you to provide emergency relief from the Medicaid Institutions for Mental Disease (IMD) payment prohibition. This critical action would give states the ability to use federal funds to cover Medicaid-eligible individuals (age 21-64) in need of behavioral health treatment.

The IMD exclusion is a long-standing policy that prohibits the federal government from providing Medicaid matching funds to states for services rendered to certain Medicaid-eligible individuals, age 21-64, who are patients in IMDs. The term “IMDs” is defined as a hospital, nursing facility, or other institution of more than 16 beds, that is primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases, including medical attention, nursing care, and related services.

Hospital capacity is being pushed to its limits during the COVID-19 pandemic. In California, a critical shortage of state psychiatric beds is already forcing patients with a serious mental illness to be held in emergency rooms, hospitals, and jails while they wait for a bed. Waiving the exclusion to Medicaid funding for behavioral health treatment would free up beds in local communities’ hospitals, allowing them to better manage the surge capacity in both inpatient and emergency departments to care for COVID-19 patients.

One population we are extremely concerned about is individuals experiencing homelessness. Due to existing health conditions, access to general wellness care, and potential population growth, individuals experiencing homelessness are uniquely vulnerable to COVID-19. The 2019 Greater Los Angeles Homeless Count reported 56,257 individuals were experiencing homelessness in Los Angeles County. Of that group, 12,869 individuals self-reported a serious mental illness, and 7,264 individuals self-reported a substance abuse issue.
The Substance Abuse and Mental Health Services Administration (SAMHSA) issued guidance in March for the care and treatment of mental health and substance use disorder during the pandemic. SAMHSA is advising outpatient treatment options to be used to the greatest extent possible; however, patients through the determination of their clinician are still being referred to an IMD, and outpatient care is not a medically appropriate option for these patients. The Los Angeles County Department of Mental Health and other behavioral health authorities are adhering to this guidance and have been working with behavioral health providers on how to operate according to best practices during this pandemic. Congress can also further help these organizations by providing funding for training for behavioral health professionals, Personal Protective Equipment (PPE), and resources to provide telehealth services when available.

The Centers for Medicare & Medicaid Services in November 2018 announced that the federal government would begin to consider state applications for an IMD exclusion waiver. However, during this pandemic, states need immediate help to manage hospital capacity. Medicaid is the largest payer of mental health services, and expansion of this critical coverage would be vital to those who are in need, including individuals experiencing homelessness.

Thank you for your prompt attention to this serious matter.

Sincerely,

Grace F. Napolitano
Member of Congress

Gilbert R. Cisneros, Jr.           Julia Brownley
Member of Congress               Member of Congress

Alan Lowenthal                   Norma J. Torres
Member of Congress               Member of Congress