

# NO. 3: MAXIMIZING MEDICAID COVERAGE FOR CRISIS RESPONSE, HOUSING SERVICES, AND EMPLOYMENT SUPPORTS

*Access to a full array of crisis response services, stable housing, and employment reduces unnecessary interactions with law enforcement.*

## Background

In addition to evaluation and treatment, individuals with mental health conditions and/or substance use disorders (SUDs) need access to a full array of crisis services, housing supports, and supported employment in order to live as healthy, included members of their communities. The lack of a comprehensive crisis response continuum results in high rates of incarceration for individuals with mental health conditions; unnecessary emergency department (ED) admissions; and higher rates of referral to expensive and restrictive inpatient care. Homelessness is associated with increased rates of serious medical and behavioral health conditions, and housing instability puts youth at risk of early drug use and depression. Unemployment is associated with increased rates of substance use, depression, anxiety, and psychosomatic disorders.

Conversely, access to a full array of crisis response services, stable housing, and employment reduces unnecessary and sometimes dangerous interactions with law enforcement; avoidable admissions to EDs and inpatient beds; and incarceration. Timely access to services and supports contributes to emotional well-being in youth, and overall mental health in adults.

## Changes and Opportunities in the Funding Landscape

A growing body of research supports the benefits of these essential services, but funding is woefully inadequate to meet the need. State Mental Health Authorities (SMHAs) have reported funding shortfalls for years, with the demand for services increasing exponentially as a result of the COVID-19 pandemic. SMHAs are key players in addressing challenges associated with Medicaid coverage, allowing their respective states to maximize the benefits of funding opportunities that have emerged in response to the public health emergency:

- SAMHSA invested \$1.5 billion for the Mental Health Block Grant and Substance Abuse Block Grant programs.
- The Centers for Medicare and Medicaid Services (CMS) offered an enhanced Medicaid federal match for mobile crisis services, and a new state plan option for multidisciplinary teams that provide screening and assessment, stabilization and de-escalation, and coordination and referrals to individuals in crisis.
- The American Rescue Plan Act authorized a [Medicaid match](#) for state expenditures for the 988 call line, proportional to Medicaid and Children's Health Insurance Program (CHIP) beneficiaries.
- The Section 1115 demonstration waiver authority allowed states to test the benefits of covering expanded eligible populations and innovative services and supports.



The NASMHPD - TTI Knowledge Bites [webinar series](#) was produced by the [National Association of State Mental Health Program Directors](#) in 2023. Each webinar is accompanied by a Knowledge Bite summarizing recommendations, community examples, and resources.

Further, CMS has promoted the use of Medicaid to cover essential services through:

- The Section 1915i state plan option, allowing states to cover Home and Community-Based Services, including Housing and Employment Supports, for individuals with serious mental illness who meet criteria for admission to institutional care.
  - *Example:* Minnesota’s state plan amendment [covers an array of Housing Stabilization Transition and Tenancy Sustaining Services](#).
- CMS guidance on how 1115 demonstration waivers can cover [an expanded array](#) of pre-tenancy, transition, and tenancy-sustaining services for individuals with significant medical and/or behavioral health conditions who are homeless; at risk of homelessness; or residing in or at risk of placement in an institutional setting.
  - *Example:* Vermont’s [Global Commitment to Health](#) Supportive Housing Assistance pilot, a demonstration including pre-tenancy, tenancy-sustaining supports, and community transition services for all eligible enrollees moving to supportive housing, regardless of the setting they are moving from.
  - *Example:* A [MassHealth demonstration](#) in Massachusetts to use “Community Support Programs” for beneficiaries who are experiencing homelessness or are justice-involved while living in the community, and targeted tenancy supports for beneficiaries facing eviction as a result of behavior related to their condition.
  - *Example:* The [Arizona Health Care Cost Containment System](#) demonstration, which is working “to enhance and expand housing services and interventions for AHCCCS members who are homeless or at risk of becoming homeless.”
- The use of 1115 demonstration waivers and traditional state plan authorities, such as the Rehab Option, to cover components of crisis response.
  - *Example:* New York State Office of Mental Health [Mobile Crisis Program Guidance](#)
  - *Example:* A state plan amendment in Oregon to provide qualifying [community-based mobile crisis intervention services](#)

## Recommendations to Coordinate Systems and Align Interventions

- Support providers to develop the capacity and expertise to enroll in and bill for Medicaid.
  - *Example:* Washington State Health Care Authority’s [Foundation Community Supports](#) training
- Address workforce shortages by expanding the role of people with lived experience.
- Educate individuals, providers, and case managers on the importance of maintaining Medicaid eligibility.
- Identify and address differences in eligibility criteria, policies, and procedures between Medicaid- and SMHA-funded services.
- Cultivate cross-agency partnerships to braid funding, allowing SMHAs to stretch their resources to cover individuals and services not eligible for Medicaid.
- Participate in data matching that helps to identify high utilizers of costly services.
- Participate in data sharing to help assess outcomes and perform continuous quality improvement.
- SMHAs can also promote and facilitate local partnerships, which are essential for accessing effective crisis response, housing, and employment opportunities. They can:
  - align access to safe, decent, and affordable housing with housing-related services and supports;
  - offer choices in housing, services, and supports; and
  - promote culturally responsive services that engage people from racially marginalized and historically disenfranchised populations.



## More Examples

- **GA:** Medicaid Administrative Claiming funds the entire crisis system, including mobile crisis teams.
- **MI:** State plan amendment that authorizes [community support services](#) for Medicaid beneficiaries with a serious emotional disturbance, serious mental illness, or intellectual/developmental disability. Services include housing assistance, skill building assistance, and supportive/ integrated employment.



## Additional Resources

- **CMS**
  - [Medicaid Guidance on the Scope of and Payments for Qualifying Community-Based Mobile Crisis Intervention Services](#)
  - [Technology Infrastructure through the Medicaid Information Technology Architecture](#)
  - [State Health Official Letter: RE: Opportunities in Medicaid & CHIP to Address Social Determinants of Health](#)
- **TAC** [Mobile Crisis Teams: A State Planning Guide for Medicaid Financed Crisis Response Services](#)
- **APSE** [Medicaid Makes Supported Employment Possible](#)
- **MACPAC** [Medicaid's Role in Housing \(macpac.gov\)](#)