

The Honorable Mike Crapo
Chairman
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20515

The Honorable Ron Wyden
Ranking Member
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20515

The Honorable Lindsey Graham
Chairman
Budget Committee
211 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Jeff Merkley
Ranking Member
Budget Committee
531 Hart Senate Office Building
Washington, D.C. 20510

June 10, 2025

Re: Protect Medicaid for People with Mental Health Conditions and Substance Use Disorders

Dear Chairman Crapo, Chairman Graham, Ranking Member Wyden, and Ranking Member Merkley:

The Mental Health Liaison Group (MHLG), a coalition of national organizations representing people with mental health conditions and substance use disorders, family members, mental health and addiction providers, advocates and other stakeholders, is committed to strengthening Americans' access to mental health and substance use disorder care. We are writing to urge the Senate to protect individuals and families living with behavioral health conditions by rejecting the House-passed changes to Medicaid within the budget reconciliation bill. While we appreciate the copay carve-out for mental health and substance use disorder treatment provided within the House reconciliation bill, cutting Medicaid funding or benefits, as well as imposing burdensome eligibility and work requirements, would disproportionately harm people with mental health (MH) conditions and substance use disorders (SUD). In the midst of our nation's ongoing mental health crisis, including its devastating impact on youth, and our ongoing overdose epidemic, we cannot reduce access to community- and school-based life-saving services.

Our organizations are deeply concerned that some of the Medicaid changes under consideration would significantly alter Medicaid's financing structure, shifting costs to the states and ultimately leading to reduced eligibility, benefits, or payments, as well as additional barriers to coverage and enrollment. The Congressional Budget Office estimates that this legislation will lead to 10.9 million more uninsured Americans, 7.8 million of whom will lose their Medicaid coverage due to changes to the program. However, the need for MH/SUD services would not go away. Many people would be forced to forgo community-based and routine MH/SUD care, such as therapy, prescription mental health medications, and medications for opioid use disorder. Barriers to mental and behavioral health services for children and adolescents are particularly concerning, as delays in care can have serious impacts on their cognitive and emotional development and lead to more serious conditions. When people's conditions are left untreated, they often worsen until they require more costly and more intensive treatment at a point of crisis. Moreover, limiting access to Medicaid threatens to undermine gains in reducing overdose mortality rates and could lead to increasing rates of incarceration and hospitalization.

We are particularly concerned about the impact of co-pays on low-income beneficiaries who have physical

health conditions that require treatment, as well as co-occurring mental health and substance use disorders. For example, people with depression have a [40% higher risk](#) of developing cardiovascular and metabolic disease than the general population, and those with serious mental illness are nearly twice as likely to develop these conditions. Co-pays will cause individuals and families to forgo necessary health care for serious physical health conditions, ultimately impacting both their mental and physical health.

In addition, changes to Medicaid's financing structure will have consequences for Medicaid providers, especially those from rural areas. Often, rural health care systems, especially rural hospitals, are the only recourse for those experiencing a psychiatric emergency. Rural community health centers serve large areas and are often the anchor mental health and substance use provider. Changes that reduce payment rates will harm rural providers and will lead to closures, long waits, and less access to life-saving care. These financing changes will also put at risk the delicate system of pediatric mental health care, in part by impacting children's hospitals, which see large percentages of Medicaid patients and provide mental and behavioral health services to children and families well outside their immediate communities, providing access in rural, suburban, and urban settings.

Finally, additional eligibility verifications and work requirements will disproportionately harm those struggling with mental health and addiction conditions by adding red tape in the [context of non-functional websites](#). A recent [study](#) examining the health and financial characteristics of those who lost Medicaid coverage during the recent unwinding process - when states verified eligibility after maintaining people on Medicaid during COVID-19 - concluded that those who lost coverage for procedural reasons had higher mental health needs, including high levels of depression, anxiety, and frequent worrying, than those who lost coverage for other reasons. People with high mental health needs, especially those who change addresses frequently or are homeless, may not be able to navigate websites that [frequently](#) have errors and are difficult to use, and some are working jobs that do not provide the newly-required documentation.

Medicaid is the [single largest payer](#) of MH and SUD services and provides coverage to nearly half of children. We are deeply concerned about the devastating consequences to our nation if the federal Medicaid program were to be weakened. We must further acknowledge that cuts to Medicaid have even broader implications, impacting the availability of providers and services for individuals and families who have other sources of coverage as well. We strongly urge you to reject any cuts to the Medicaid program that would harm individuals and families living with MH and SUD conditions.

Sincerely,

American Academy of Nursing
 American Association for Marriage and Family Therapy
 American Association for Psychoanalysis in Clinical Social Work
 American Association of Child and Adolescent Psychiatry
 American Association of Psychiatric Pharmacists
 American Association on Health and Disability
 American Foundation for Suicide Prevention
 American Mental Health Counselors Association
 American Occupational Therapy Association

American Psychiatric Association
 American Psychiatric Nurses Association
 American Psychoanalytic Association
 American Psychological Association Services
 Anxiety and Depression Association of America
 Association for Ambulatory Behavioral Healthcare (AABH)
 Association for Behavioral Health and Wellness
 Center for Law and Social Policy (CLASP)
 CFHA: The Integrated Care Association
 Children and Adults with Attention-Deficit/Hyperactivity Disorder
 Children's Hospital Association
 Clinical Social Work Association
 Collaborative Family Healthcare Association
 Committee for Children
 Depression and Bipolar Support Alliance (DBSA)
 Fountain House
 Global Alliance for Behavioral Health & Social Justice
 Huntington's Disease Society of America
 Inseparable
 International OCD Foundation
 International Society of Psychiatric-Mental Health Nurses
 Legal Action Center
 Maternal Mental Health Leadership Alliance
 Mental Health America
 National Alliance on Mental Illness (NAMI)
 National Association of Pediatric Nurse Practitioners
 National Association of School Psychologists
 National Board for Certified Counselors
 National Council for Mental Wellbeing
 National Council on Problem Gambling
 National Eating Disorders Association
 National Federation of Families
 National League for Nursing
 National Register of Health Service Psychologists
 National Women's Shelter Network, Inc.
 Network of Jewish Human Service Agencies
 Psychotherapy Action Network (PsiAN)
 School Social Work Association of America
 SMART Recovery

The Kennedy Forum

The National Alliance to Advance Adolescent Health

The National Association for Rural Mental Health (NARMH)

The National Association of County Behavioral Health and Developmental Disability Directors (NACBHDD)

The Trevor Project

Tourette Association of America