

Where We Stand:

NAMI believes that health insurance should provide comprehensive mental health and substance use disorder coverage without arbitrary limits on treatment. NAMI opposes Medicaid's discriminatory prohibition on paying for mental health treatment delivered in certain inpatient settings, known as "institutions for mental disease" (IMDs).

Why We Care:

Currently, the law prohibits states from using Medicaid to pay for care provided in "institutions for mental disease" (IMDs), which are psychiatric hospitals or other residential treatment facilities that have more than 16 beds. This is the only part of federal Medicaid law that prohibits payment for the cost of providing medically necessary care because of the type of illness being treated. This discriminatory exclusion has been in place since Medicaid's enactment in 1965, and it has resulted in unequal coverage of mental health care.

Recently, states were given the option to cover short-term stays in psychiatric hospitals by applying for a waiver from the federal government. While this option shows progress, we need to permanently remove the IMD exclusion.

People with mental health conditions — just like people with any medical condition — need a range of care options from outpatient services to hospital care.

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Updating the IMD exclusion to allow for short-term stays in psychiatric hospitals helps strengthen the mental health system and provides those who rely on Medicaid with more treatment options.

To learn more about NAMI's work on this issue, visit www.nami.org/Advocacy/Policy-Priorities