



ON THE CHOPPING BLOCK: HOW MEDICAID CUTS WILL IMPACT MENTAL HEALTH

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Medicaid is the nation's **single largest payer** for mental health services and provides coverage for **nearly 40 percent** of all children in the United States. Medicaid also pays every **1 in 4 dollars** for vital mental health and substance use disorder treatment. If Congress dismantles the program or limits its reach through funding cuts, it will reverse much of the progress made to expand mental health access since the onset of the Covid-19 pandemic.

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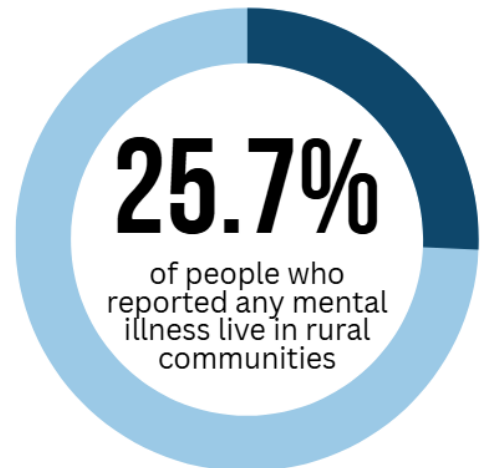
How will youth be impacted? In 2023, **a report found** that 39.7 percent of students in grades 9-12 across the country felt persistently sad or hopeless, 28.5 percent experienced poor mental health, 20.4 percent had seriously considered attempting suicide, and 9.5 percent had attempted suicide. Since the Bipartisan Safer Communities Act passed in 2022, **school-based mental health services**

have improved, partly because schools received funding to establish **on-site mental health services** for students accessing Medicaid. The law also expanded the critical Early and Periodic Screening, Diagnosis, and Treatment program, allowing more young people access to lifesaving services. If federal funding to states for Medicaid is reduced, the sustainability of on-site school services that depend on Medicaid reimbursement will be jeopardized, impacting **students' mental health**.

How about adults? In 2023, an estimated **59 million adults** experienced a mental illness.¹ More than one in three (29 percent) of nonelderly adults enrolled in Medicaid have a mental illness, and almost 10 percent have a serious mental illness. These rates are **higher** than rates among adults with private insurance or no coverage. Adults receiving Medicaid are unable to afford mental health services without this support. By cutting critical Medicaid dollars, mental health conditions will go undiagnosed and untreated.

What about people living in rural communities?

Fourteen million Medicaid enrollees live in rural areas. According to National Survey on Drug Use and Health data in 2022, **25.7 percent** of people who reported any mental illness live in rural communities. Health clinics and other medical facilities rely heavily on Medicaid to **keep their doors open**, with program dollars providing about **42-44 percent** of revenue for Federally Qualified Health Centers. Even with Medicaid assistance, residents of rural communities **experience barriers** to accessing mental health and substance use care because of limited providers, the need to travel long distances to receive care, and stigma.



How about children in foster care? Young people who have experiences with the foster care system are up to **62 percent** more likely to experience mental health challenges than young people overall. Most children in foster care are **automatically eligible** for Medicaid. Because of the SUPPORT Act, all former foster care children who qualify are still eligible for Medicaid in any state up until age 26, to create parity with their peers who are allowed to be on their parent's health insurance until 26. However, young adults must know **how to navigate** the system and enroll when they are eligible. Proposals on the table in Congress will increase bureaucracy and red tape, making it much harder for eligible young people to enroll.

Here's the bottom line. Mental health services are not optional — they are lifesaving. Drastic cuts to Medicaid will mean drastic cuts to mental health and substance use services.

¹ We use the term "mental illness" here to be consistent with original sources. CLASP however uses the term "mental health condition" or "mental health challenge."