

# Mental Health Liaison Group

May 11, 2004

The Honorable J. Dennis Hastert  
Speaker of the House  
U.S. Capitol  
Washington, DC 20515

The Honorable Bill Frist, M.D.  
Senate Majority Leader  
U.S. Capitol  
Washington, DC 20510

Dear Mr. Speaker and Dr. Frist:

The undersigned organizations in the Mental Health Liaison Group, a coalition of national organizations representing the diverse interests of the mental health community, wish to express our opposition to legislation that would exempt association health plans (AHPs) from state regulation and thereby undermine state mental health parity laws and other critical consumer protections.

A bill to increase the availability of AHPs by exempting them from state health insurance reforms was passed by the House in 2003 (H.R. 660/S. 545) and is endorsed by the Administration. We believe this legislation would undercut significant progress made at the state level to improve coverage of mental health services.

Improving access to mental health care is of primary concern to our members. Millions of Americans who have health coverage are denied the mental health care they need by discriminatory limitations on their coverage. Each year, less than a third of adults and even fewer children receive the mental health services they need. This denial of care makes little sense as treatment success rates for mental illnesses are often better than those for many physical illnesses.

Moreover, untreated mental illness costs the American economy at least \$79 billion annually in lost productivity, absenteeism, unemployment and increased health costs. Perhaps most tragic is the high rate of suicide in this country that undoubtedly results from inadequate mental health care as mental illness is associated with over 90% of all suicides. Each year over 30,000 Americans die from suicide and almost 650,000 individuals require emergency care for injuries caused by suicide attempts. Legislation that impairs state laws designed to improve access to mental health care can only weaken a mental health system that the President's New Freedom Commission on Mental Health described as being "in shambles."

To address some of these concerns, President Bush has called on Congress to enact full mental health parity requirements for group health plans, and Congressional support for such federal legislation is widespread. But, over 36 states have already passed parity laws for insurance plans governed by state law and more than 32 states require insurance plans to cover or offer a minimum amount of mental health benefits. These laws represent significant steps toward our goal of improving access to mental health care for all, but this progress would be undermined by legislation that would exempt AHPs from state consumer protections and replace them with negligible standards.

National organizations representing consumers, family members, advocates, professionals and providers  
c/o Peter Newbould, American Psychological Association Practice Organization, 750 First Street, NE, Washington, DC 20002

Although supporters argue that this AHP legislation would lower the cost of insurance for small businesses and thus increase coverage, the Congressional Budget Office (CBO) has predicted that 80% of workers in small firms would face premium increases. Under this proposal, AHPs would likely reduce costs by offering pared-down benefit packages excluding coverage of mental health services or prescription drugs, for example. These low-cost plans would appeal to those firms with primarily young, healthy employees, but as a result those in need of more comprehensive benefits would have to pay more for traditional coverage. According to CBO, a large majority of employees would remain in traditional plans with higher premiums.

CBO estimates that any increase in coverage would be minimal because most of those covered by AHPs would have been previously covered by traditional plans. Thus the benefit of this legislation would be small, but the detriment would be great because of the weakening of crucial state laws, such as those that prohibit discriminatory limits on mental health care by state-regulated plans.

In addition, by undermining state oversight of insurance agreements, this legislation could expose health care consumers to fraud and abuse. We note that we are joined in opposition to this legislation by governors, insurance commissioners and attorneys general. Consequently, we urge you to oppose legislation that would exempt AHPs from state regulation such as mental health parity laws and other consumer protections. Thank you for your consideration of our views.

Sincerely,

Alliance for Children and Families  
American Academy of Child and Adolescent Psychiatry  
American Association for Geriatric Psychiatry  
American Association for Marriage and Family Therapy  
American Association of Pastoral Counselors  
American Association of Practicing Psychiatrists  
American Counseling Association  
American Family Foundation  
American Group Psychotherapy Association  
American Managed Behavioral Healthcare Association (AMBHA)  
American Mental Health Counselors Association  
American Psychiatric Association  
American Psychiatric Nurses Association  
American Psychological Association  
American Psychotherapy Association  
Anxiety Disorders Association of America  
Association for the Advancement of Psychology  
Association for Ambulatory Behavioral Healthcare  
Bazelon Center for Mental Health Law  
Children and Adults with Attention-Deficit/Hyperactivity Disorder

Clinical Social Work Federation  
Depression and Bipolar Support Alliance  
Eating Disorders Coalition for Research, Policy & Action  
Federation of Behavioral, Psychological & Cognitive Sciences  
Federation of Families for Children's Mental Health  
International Association of Psychosocial Rehabilitation Services  
International Society of Psychiatric-Mental Health Nurses  
NAADAC, The Association for Addiction Professionals  
National Association for Children's Behavioral Health  
National Alliance for the Mentally Ill  
National Association for Rural Mental Health  
National Association of Anorexia Nervosa and Associated Disorders -- ANAD  
National Association of County Behavioral Health Directors  
National Association of Protection and Advocacy Systems  
National Association of School Psychologists  
National Association of Social Workers  
National Association of State Mental Health Program Directors  
National Coalition of Mental Health Consumers and Professionals  
National Council for Community Behavioral Healthcare  
National Mental Health Association  
Suicide Prevention Action Network USA  
Therapeutic Communities of America  
Tourette Syndrome Association