

Mental Health Liaison Group

June 19, 2003

The Honorable Heather Wilson
318 Cannon House Office Building
U.S. House of Representatives
Washington, DC 20515

Dear Representative Wilson:

As organizations representing consumers, families, advocates, professionals, and providers dedicated to mental health care in our nation, we are writing to you in your capacity as the Chair of the recently established Congressional Medicaid Task Force. Recognizing your understanding of the importance of, and support for, legislation to advance improved access to needed mental health care in this country, we were pleased to learn of the leadership role you are undertaking.

As you may know, the Medicaid program is a vital source of support for people with mental disorders, funding approximately 50 percent of state and local spending on mental health services. Importantly, many of the services and benefits that Medicaid covers enable individuals to remain in their homes and communities and avoid costly institutionalization.

We recognize the concerns that have been voiced over the increasing costs of the Medicaid program. We believe that there is merit to reconsidering the financing of benefits now borne by Medicaid for those who are dually eligible for Medicaid and Medicare. We also see a crying need for legislation to reform certain facets of the Medicaid program, reforms that offer the prospect of providing better, less costly care to children and adults with mental disorders.

But, restructuring Medicaid through block-granting or similar mechanisms that arbitrarily cap funding inevitably means cutting services to people who desperately need them. We are particularly concerned about the impact this approach would have on the so-called optional population of people with mental illness. Such "savings" at the expense of these vulnerable people will necessarily be illusory, and will simply exacerbate the already shocking numbers of those with mental illness among the homeless, our prison population, and the tens of thousands who take their lives every year.

We note that some have suggested the State Children's Health Insurance Program (SCHIP) as a model for revising Medicaid benefit packages. But we trust you appreciate that SCHIP (other than in states that have chosen to enroll children in Medicaid) or any benefit package modeled on private insurance coverage is not an appropriate substitute for the Medicaid population. SCHIP does not include benefits that are critical to many children with mental disorders. For instance, SCHIP does not provide access to all medically necessary services as required under the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) benefit in Medicaid. Instead, states using the private plan option have significantly restricted mental health benefits and appropriate treatment, typically limiting coverage of both inpatient care (to 30 days) and outpatient care (to 20-30 visits). Moreover, SCHIP does not include benefits such as intensive rehabilitation services, in-home care and day treatment that are so critical to the many children with serious emotional problems.

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Finally, consideration should be given to the cost pressures on Medicaid that stem from actions in the marketplace. As the President stated in remarks last year in New Mexico, "insurance plans too often place greater restrictions on the treatment of mental illness than on the treatment of other medical illnesses." With their health insurance failing them, many Americans with mental illness ultimately turn to Medicaid. Enactment of mental health parity legislation would lessen that drain on public funds.

Members of the Medicaid task force of our Mental Health Liaison Group would be most pleased to meet with you and your colleagues to discuss these issues and recommend specific changes to the Medicaid program to improve access to mental health care and lower costs. We invite you to contact our task force co-chairs Kathleen Sheehan at 202-393-6700 x-103 or Joel Miller at 703-524-7600. 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 Counseling Association
American Group Psychotherapy Association
American Mental Health Counselors Association
American Occupational Therapy Association
American Psychiatric Association
American Psychiatric Nurses Association
American Psychological 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
Child Welfare League of America
Clinical Social Work Federation
Federation of Families for Children's Mental Health
National Association of Anorexia Nervosa and Associated Disorders -- ANAD
National Association of County Behavioral Health Directors
National Association of Mental Health Planning & Advisory Councils
National Association of Protection and Advocacy Systems
National Association of Psychiatric Health Systems
National Association of School Nurses
National Association of School Psychologists
National Association of Social Workers
National Alliance for the Mentally Ill
National Coalition of Mental Health Consumers and Professionals
National Mental Health Association

Cc: Representative Mary Bono
Representative Nathan Deal
Representative Ernie Fletcher
Representative Ed Whitfield