

# Mental Health Liaison Group

## Steering Committee

Washington, DC

October 2002

To The Candidate:

On behalf of the Mental Health Liaison Group (MHLG), a coalition of national organizations representing the diverse interests of the mental health constituency, please use this briefing paper for information on mental health delivery and research issues.

Dramatic breakthroughs are being made in our understanding of mental, emotional, behavioral and addictive disorders. Treatment effectiveness rates for most disorders now meet or exceed those for general medical conditions. However, far too few individuals with mental, emotional, or addictive disorders get the assistance they need.

- Of the estimated 28 percent of adult Americans with a mental or addictive disorder, only about one in three received treatment of any kind.
- Of the estimated 21 percent of children and adolescents with mental or addictive disorders, only one in five receives treatment.
- Jails and prisons house hundreds of thousands of persons with serious mental illnesses who are not receiving adequate assessment or treatment services. Additionally, studies have shown that between 60% and 75% of youth in detention have mental and/or addictive disorders.
- Individuals with mental, emotional, behavioral or addictive disorders are also disproportionately represented in our nations' homeless population. Research cited in the Surgeon General's Report on Mental Health shows that in the U.S., mental disorders collectively account for more than 15% of the overall burden of disease from all causes, slightly more than the burden associated with all forms of cancer.
- Every year approximately 30,000 people die by suicide, while almost 650,000 individuals receive emergency care after attempting suicide (over 90 percent of all suicides are associated with mental illness and/or substance abuse).

Major problems continue to exist in the public safety net and in the availability of effective outpatient treatments for acute and chronic mental disorders. Jails and prisons have become the new institutions for many with severe mental disorders, with many others left to fend for themselves as homeless street people. Congress has sought to

address the problem through mental health courts legislation that would help divert some segments out of the forensic system and into treatment. This is only part of the solution to a complex problem.

Therefore, we hope that this primer will provide you with insight on the pertinent mental health issues that are integral to the nation's overall health. The report is divided by agency and programs and seeks to strengthen the relationship shared by the public and private sectors on these issues. For further information, please feel free to visit our website at [www.mhlg.org](http://www.mhlg.org).

Sincerely,

MHLG Steering Committee

**Steering Committee Organizations Endorsing this Briefing Paper:**

American Association for Marriage and Family Therapy  
American Counseling Association  
American Managed Behavioral Healthcare Association  
American Mental Health Counselors Association  
American Psychological Association  
International Association of Psychosocial Rehabilitation Services  
National Association for Childrens' Behavioral Health  
National Association of State Mental Health Program Directors  
National Council for Community Behavioral Healthcare  
National Mental Health Association

**Additional MHLG Member Organizations Endorsing this Briefing Paper:**

Alliance for Children and Families  
American Association for Geriatric Psychiatry  
American Group Psychotherapy Association  
American Psychiatric Nurses Association  
Association for Ambulatory Behavioral Healthcare  
Association for the Advancement of Psychology  
National Association of Anorexia Nervosa and Associated Disorders  
National Association of County Behavioral Health Directors  
National Association of Social Workers

## **Current Issue I: Effectiveness of Mental Health Treatment**

Federal funding for mental health is of utmost importance to the nation. For FY 2002, public sector spending accounts for approximately 53 percent of all mental and substance abuse treatment services dollars. According to the National Advisory Mental Health Council, treatment improves patient outcomes for the majority of Americans even those with a severe mental illness:

- ◆ Schizophrenia 60%
- ◆ Bipolar Disorder 80%
- ◆ Major Depression 80%
- ◆ Panic Disorder 80%
- ◆ Obsessive-Compulsive Disorder 60%

### ***Composing an action plan***

According to *Mental Health: A Report of the Surgeon General*, there are eight action items necessary in order to further the progress of Mental Health in the 21<sup>st</sup> Century:

- ◆ Continue to Build the Science Base
- ◆ Overcome Stigma
- ◆ Improve Public Awareness of Effective Treatment
- ◆ Ensure the Supply of Mental Health Services and Providers
- ◆ Ensure Delivery of State-of-the-Art-Treatments
- ◆ Tailor Treatment by Age, Gender, Race, and Culture
- ◆ Facilitate Entry Into Treatment
- ◆ Reduce Financial Barriers to Treatment

These eight precepts are broad in scope, but one thing is clear: the public and private sectors will need to focus their efforts in tandem if further progress is to be made strengthening the mental health safety net. The nation's mental health infrastructure was strained before the terrorist attacks and, as a result, the system is unable to cope effectively with the anticipated long-term need resulting from the trauma caused by the terrorist attacks, or any future calamity. In addition, the high level of un-addressed mental health needs of youth will have an additional strain on the system.

## **Current Issue II: Societal Costs of Mental Disorders**

Mental, emotional and addictive disorders have a major impact on the lives of millions of Americans, their families -- and employers -- every year. These disorders cost the American economy and American businesses tens of billions of dollars each and every year.

- The Surgeon General's report on mental health found that the *lack* of parity coverage of treatment for mental illness costs businesses over \$70 billion

every year in lost productivity, increased use of sick and disability leave, and higher use of non-psychiatric medical services.

- In a similar vein, an MIT/Sloan School of Management report (1995) found that clinical depression costs American businesses nearly \$30 billion a year in lost productivity and worker absenteeism.
- Notably, a study reported by Robert Rosenheck, M.D., at Yale University, highlighted the negative impact when a national company reduced its mental health benefits by 40% over a 3-year period, with a consequent offsetting increase of its primary health care expenses by 40%. Presumed savings from reduced mental health benefits had significant adverse health and productivity consequences, hidden by a narrow focus on cost of the mental health benefit alone.

### **Current Issue III: The Parity Issue**

Mental illness is the second leading cause of disability and premature mortality in the United States. Even though mental and emotional illnesses are reliably diagnosed and treated, people too often do not get needed mental health care, even when they have “good” insurance. Arbitrary, discriminatory insurance barriers to needed mental health treatment frequently stand in the way. Such barriers, which take the form of stricter limits on treatment duration and much higher out-of-pocket costs for mental health care than for other medical care, are commonplace. In conclusion, lack of access to needed mental health treatment takes a severe toll – in unemployment, broken homes, other health problems, poor school performance, and even suicide.

Congress has before it legislation to end these discriminatory practices, that is to establish “mental health parity,” so that if an employer elects to provide mental health benefits, such benefits would be on par with medical and surgical coverage. Mental health parity is not only fair, but it is affordable. The Congressional Budget Office has projected that enactment of parity legislation pending in Congress would increase insurance premiums on average by less than one percent. That projection does not take into account the offsetting savings that would be achieved through increased productivity.

Currently, 243 Members of the House of Representatives have sponsored H.R. 4066, the Mental Health Equitable Treatment Act, President Bush has called on Congress to send parity legislation to him for signing this year, and 67 Senators have sponsored S. 543, the Senate companion bill to H.R. 4066. This broad support, including 238 national organizations, underscores the message that there is a moral imperative for ending discrimination against patients seeking treatment for mental illness, and particularly that parity is a health policy issue, not a partisan political issue.

### **Current Issue IV: New Freedom Commission on Mental Health**

In 2001, President Bush signed an Executive Order creating the first Mental Health Commission in nearly a quarter of a century. The New Freedom Commission on Mental Health convened on June 18, 2002 and is charged with identifying growth, change, and innovation that will affect the mental health community in the 21<sup>st</sup> century. The Commission's prime focus is to improve the effectiveness of mental health service delivery, which is currently provided by a fragmented mental health delivery system. In particular, the Commission will address the following issues: access to care in both the public and private sectors, ensuring the quality of care, adverse consequences of inadequate treatment, co-occurring disorders and senior citizens'/childrens' issues. The Commission is also assessing the relationship between urban and rural mental health delivery.

### **Current Issue V: Public Mental Health: - The Fragile Social Safety Net**

#### ***The Olmstead Decision: Assessing a State's Responsibility***

In the landmark case *Olmstead v. L.C.*, 119 S.Ct. 2176 (1999), the U.S. Supreme Court held that individuals with disabilities are entitled, under the provisions of Title II of the Americans with Disabilities Act (ADA), to receive services in "the most integrated setting appropriate" for their needs. This decision involved two women with mental illness and mental retardation who were hospitalized but were considered appropriate for community placement and were on waiting lists to receive community services.

The Court held that a qualified individual with disabilities is entitled to such services under the ADA when: the state's own treatment professionals determine that such a placement is appropriate, the individual does not oppose the placement, and the placement can be reasonably accommodated. Additionally, the ruling takes into account the resources available to the state and the needs of others receiving state-supported disability services.

The Court suggested that a state could demonstrate compliance with the ADA if it demonstrates that it has a "comprehensive, effectively working plan" for placing qualified persons with disabilities in less restrictive settings and a waiting list that moves at a reasonable pace.

#### **Medicaid and Medicare**

Combined, Medicare and Medicaid funds account for roughly one in three dollars spent on mental health services in the United States.

#### ***Medicaid***

Medicaid is the jointly funded federal-state health insurance program for certain low-income and needy people.

- Medicaid covers approximately 36 million individuals including children, the aged, blind, disabled, and people who are eligible to receive federally assisted income maintenance payments.
- Although federal Medicaid rules do not require states to cover many services and supports necessary for people with mental illnesses to live successfully in their communities, most states have adopted Medicaid options that permit reimbursement for a broad range of these services. However, Medicaid's focus on a "medical model" of illnesses bars reimbursement for many social supports necessary for successful recovery in the community -- especially housing and employment.
- 25% of American children are enrolled in Medicaid and entitled to all necessary treatment services under EPSDT (Early and Periodic Screening, Diagnosis and Treatment). A recent GAO study found that comprehensive screening rates are as low as 6%, severely restricting access to necessary services.
- Medicaid is a program of last resort, but the choices facing some families whose children need mental health care can be wrenching. Some have refused pay raises or promotions to stay within Medicaid income limits. Approximately one in four families of severely emotionally disturbed children are counseled to consider relinquishing custody to the state in order to access needed mental health services through Medicaid, and approximately one in five families find it necessary to take that step.

The existing limitations in how states have implemented federal Medicaid mandates are certain to be further tightened as states are forced to pursue every avenue in addressing their current and imminent budget crises. The MHLG strongly supports passage of a temporary increase in the Federal Medical Assistance Percentage (FMAP) to hold off catastrophic cuts in this important safety net program.

### *Medicare*

Medicare, the nation's largest health insurance program, covers over 39 million Americans.

- Medicare provides health insurance to people age 65 and over, as well as certain people with disabilities.
- Regarding mental health, Medicare requires beneficiaries to pay 50 percent of the costs of outpatient treatment, versus only 20 percent of non-mental health related outpatient services. Medicare provides no coverage for services critical to many people with mental illness such as case management, psychiatric rehabilitation or medication costs.

- Current Medicare law limits patients to 190 days of inpatient care in free standing psychiatric hospitals over their entire lifetimes, as opposed to the open-ended “spell of illness” requirement (without any lifetime upper limit) for all other illnesses.
- While there have been some changes to the Medicare program since it was created in 1965, it is still primarily considered an acute benefit. Increased life expectancy through improvements in medical services and pharmaceuticals, and changing demographics requires that federal decision-makers focus on the Medicare beneficiaries with chronic and persistent needs such as mental disorders and illnesses. In addition, attention should be directed to correcting discriminatory practices that Medicare uses to limit mental health services, namely a separate cost-sharing rate, as well as additional limits on the types of outpatient services and providers eligible for reimbursement.

Among the legislative changes needed to improve Medicare for people with mental illness, the MHLG feels strongly that the arbitrary barriers to mental health care under the Medicare program must be eliminated, and the principle of benefits-parity must be established. Given the high level of depression among the elderly and the alarming rate of suicide in this population (19% of all suicide deaths in 1999 were among those 65 years of age and older), it is critical that arbitrary barriers to mental health care be eradicated. Given the increasing amount of beneficiaries that will be added to the Medicare rolls as the baby boomer generation retires, this issue needs attention in the near future.

### **Current Issue VI: The Programs - Federal Funding for Mental Illness Research and Services**

#### ***Substance Abuse & Mental Health Services Administration (SAMHSA)***

SAMHSA is charged with the task of mobilizing and improving mental health services in the United States. To this end, they embrace a three-prong mission:

- provide specified performance measures
- advance service-related knowledge development
- facilitate the exchange of technical related assistance

Three centers within SAMHSA deliver these services: the Centers for Mental Health Services (CMHS), Substance Abuse Treatment (CSAT) and Substance Abuse Prevention (CSAP). Many of the programs that SAMHSA administers are innovative and strive to deliver mental health services in a variety of ways.

*The Community Mental Health Services Performance Partnership Grant:*

**Appropriation FY 2002: \$433 million**

***MHLG FY 2003 Recommendation: \$495.35 million***

The Community Mental Health Service Performance Partnership Grant is the principal federal discretionary program supporting community-based mental health services for adults and children. States may tailor this funding to meet the unique needs of people with mental illness in that state.

*Programs of Regional and National Significance (PRNS)*

**Appropriation FY 2002: \$230 million**

**MHLG FY 2003 Recommendation: \$304.88 million**

CMHS addresses priority mental health care needs of regional and national significance by providing the following critical services to mental health consumers:

- Consumer Technical Assistance Centers
- Juvenile Justice: Aftercare for Youth Offenders
- Suicide Prevention for Children and Adolescents
- Community Action Grants

The delivery strategy for the PRNS services focuses on meeting three objectives:

1. Developing an evidence base about what services and service delivery mechanisms work.
2. Promoting community readiness to adopt evidence based practices.
3. Supporting capacity development within the PRNS programs.

*Projects for Assistance in Transition from Homelessness (PATH)*

**Appropriation FY 2002: \$39.9 million**

**MHLG FY 2003 Recommendation: \$45.65 million**

The Projects for Assistance in Transition from Homelessness (PATH) formula grant program was created by Congress to help localities and nonprofits provide flexible, community-based services to persons who are homeless (or at risk of homelessness) and have a serious mental illness or substance abuse disorder.

*Comprehensive Community Mental Health Services for Children and Their Families*

**Appropriations FY 2002: \$96.6 million**

**MHLG FY 2003 Recommendation FY 2003: \$110.61 million**

The Children's Mental Health Services Program is administered by CMHS and supports development of local, interagency systems of care that will keep children in their own communities and within their own families. Grants are awarded on a competitive basis to



states, county, city governments and Indian tribes/tribal organizations. The Children's Mental Health Services Program assists states and localities with the collaboration of child-serving agencies in the community that include:

- Mental Health
- Education
- Juvenile justice
- Child Welfare

*Protection and Advocacy for Individuals with Mental Illness (PAIMI)*

**Appropriations FY 2002: \$32.5 million**

**MHLG FY 2003 Recommendation FY 2003: \$37.18 million**

PAIMI provides legal services for persons with a significant mental illness or emotional impairment in both inpatient/outpatient settings. During the FY 2002, PAIMI programs nationwide addressed 30,000 abuse, neglect, and rights violation complaints. PAIMI staff is involved with a variety of duties that include the care for people with mental disabilities and investigate abuse, neglect, sexual assault, excessive restraint and seclusion, and inappropriate use of medication.

*National Institute of Mental Health (NIMH)*

**FY 2002 Appropriation: \$1.146 Billion**

**MHLG FY 2003 Recommendation: \$1.329 Billion**

NIMH is the leading authority on assessing the brain's capabilities from a scientific perspective. NIMH seeks to capitalize on scientific research opportunities that will advance treatment and prevention. Some of the subject areas they have investigated include:

- The relationship of mental disorders to violence among youth
- The safety and efficacy of treating young children
- Researching the effects of managed behavioral healthcare
- Advancing bio-behavioral studies of anger

*National Institute on Alcohol Abuse and Alcoholism (NIAAA)*

**FY 2002 Appropriation: \$355.9 million**

**MHLG FY 2003 Recommendation: \$412.8 million**

The National Institute on Alcohol Abuse and Alcoholism (NIAAA) is the lead federal entity for biomedical and behavioral research focused on uncovering the causes, and improving prevention and treatment for alcohol abuse, alcoholism and related disorders.

- Approximately 14 million Americans meet the medical criteria for a diagnosis of alcohol abuse and alcoholism, and 40 percent of Americans have direct family experience with this issue.

- Alcohol remains the most commonly abused drug by youth and adults alike in the United States.
- The financial burden from alcohol abuse and alcoholism in the United States is estimated at \$185 billion annually, a cost to society that is 52 percent greater than the estimated cost of all illegal drug abuse, and 21 percent greater than the estimated cost of smoking.

***National Institute on Drug Abuse (NIDA)***

***FY 2002 Appropriation: \$825.5 Million***

***MHLG FY 2003 Recommendation: \$959.1 Million***

The National Institute on Drug Abuse (NIDA) supports over 85 percent of the world's research on all drugs of abuse, both legal and illegal, with the exception of Alcohol (see above). NIDA addresses the most fundamental and essential questions about drug abuse, ranging from detecting and responding to emerging drug use trends to understanding how drugs work in the brain to developing and testing new treatment and prevention approaches. NIDA strives to enable society to prevent drug abuse and addiction, and to reduce the adverse individual, social, health and economic consequences associated with drugs.