

Mental Health Liaison Group

April 12, 2006

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

The Honorable Harry Reid
Minority Leader
U.S. Senate
Washington, DC 20510

Dear Senators Frist and Reid:

The undersigned organizations in the Mental Health Liaison Group are writing in opposition to the Health Insurance Marketplace Modernization and Affordability Act of 2005, S. 1955. All of our organizations share Chairman's Enzi's concern with taking action to address the needs of the many millions of uninsured Americans, but we believe this controversial legislation would on balance, do too much harm to the coverage of the many millions of Americans each year who require mental health care. Specifically, this bill would preempt state insurance laws, not just in the small group market (as is done by Association Health Plan legislation), but also in the individual and large group markets. S. 1955 would thwart years of state-level efforts to ensure that consumers have adequate health and mental health coverage.

S. 1955 would create a federal ceiling on consumer protections that would undermine carefully crafted protections offered to consumers in virtually every state. Most importantly, the bill would have the effect of repealing state laws that have been enacted to ensure that consumers have access to adequate mental health benefits. The bill would preempt state benefit, service and provider mandate laws that states have adopted to ensure that consumers have adequate health and mental health benefits.

- As approved by the HELP Committee on March 15, an insurer must meet only a single requirement – that offers wholly inadequate protection -- in order to bypass a state's mental health and other benefit protections. That is, the insurer must offer consumers, as an alternative to an even more limited health plan option, the option of a plan that resembles one offered to state employees in one of the five most populous states. As such, given the variability among applicable state offerings, beneficiaries could find themselves with only the most limited of mental health benefits (to include a high deductible plan with virtually no outpatient mental health coverage).
- This bill would sweepingly override the work of 39 state legislatures that have passed mental health parity laws aimed at preventing discriminatory coverage of mental health services, and in doing so, would leave residents of those states without the protection those laws have afforded them. And, 32 state minimum mental health benefit mandate or mandated offering laws would also be preempted. These laws ensure that consumers have some level of coverage should mental health disorders arise.

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

- Under this legislation, state incentives to enact laws in the future and be laboratories for healthcare innovation would be undermined because states would lose their ability to protect large segments of their own residents.
- For what is expected to become many millions of insureds covered under federally prescribed rating rules, S. 1955 also would preempt stronger state laws that limit the ability of insurers to vary premiums based on health status, age, gender and geography. For many older and sicker residents, this would price them out of the health insurance market, undermining the very purpose of the legislation. Furthermore, the bill imposes on all the states an outdated model law created by the National Association of Insurance Commissioners (NAIC), rather than using the NAIC's current model standard that is more protective.

A bill that preempts over 1,000 state laws for millions of insureds warrants much closer review before it is approved on the Senate floor. There is no evidence how this bill will affect premiums across all insured groups or whether it will increase the number of Americans with adequate health insurance. As we have found through analysis of the federal AHP legislation, a proposal that purports to provide more affordable and expanded coverage sometimes can fail to do what it claims and even make existing access and cost problems worse.

While the sponsors of S. 1955 have made a sincere effort to address shortcomings of the AHP legislation, their solution would make things worse by endangering the quality of health and mental health care for the 68 million Americans in state-regulated group health plans and 16.5 million with individual coverage. We urge your opposition to this legislation.

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 Group Psychotherapy Association
American Nurses Association
American Occupational Therapy Association
American Psychiatric Nurses Association
American Psychoanalytic 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
Clinical Social Work Guild 49, OPEIU
Depression and Bipolar Support Alliance
Eating Disorders Coalition for Research, Policy & Action
Federation of Families for Children's Mental Health
NAADAC, The Association for Addiction Professionals
National Alliance on Mental Illness
National Association for Children's Behavioral Health
National Association for Rural Mental Health
National Association of Anorexia Nervosa and Associated Disorders -- ANAD
National Association of County Behavioral Health and Developmental Disability Directors
National Association of Mental Health Planning & Advisory Councils
National Association of Social Workers
National Council for Community Behavioral Healthcare
National Disability Rights Network
National Mental Health Association
Suicide Prevention Action Network USA
Therapeutic Communities of America
Tourette Syndrome Association
U.S. Psychiatric Rehabilitation Association