

# Mental Health Liaison Group

September 28, 1995 *[Identical letters sent to Senators Roth, Dole, Chafee & Conrad]*

The Honorable Alan K. Simpson  
United States Senate  
SD-105 DSOB  
Washington, DC 20510

Dear Senator Simpson:

The undersigned national organization representing providers, professionals, advocates and State directors of mental health services urge you to support the attached amendment to the Medicaid provisions now before the Finance Committee as part of its reconciliation instructions.

The intent of the amendment is twofold: a) to assure that states treat people with mental illness the same as they do individuals with other health needs in the provision of services and b) to correct oversights and omissions in the list of services covered in the revised Medicaid program. There are four elements to the amendment:

- a) Prevents states from imposing treatment limits or financial requirements on mental illness services which are not imposed on services for other conditions. States however are free to utilize pre-admission screening, prior authorization or other similar mechanisms to assure that mental illness services, as well as all other health services, are based on medical necessity. The practice of limiting mental health services to control costs are rooted in societal stigma and obsolete in today's managed care market place.
- b) Limits inpatient mental health services to acute care. The modification assures coverage of all age groups in state and private inpatient psychiatric facilities while encouraging states to place individuals requiring long-term care in facilities and settings more appropriate to their needs.
- c) Covers residential treatment centers for children, omitted from the listing of services on pages 74-75 of the September 22 summary.
- d) Expands "outpatient mental health services" to explicitly include community based services (p.74).

The attached amendment will enable mental health advocates in the states to help state officials design cost efficient and non-discriminatory services for low income people with mental illness.

Thank you for your support.

## **Al Guida**

Al Guida  
National Mental Health  
Association

## **Joe Manes**

Joe Manes  
Bazelon Center for  
Mental Health Law

On Behalf of :

American Association for Partial Hospitalization  
American Association of Pastoral Counselors  
American Association of Psychiatric Services for Children  
American Association of Private Practice Psychiatrists  
American Counseling Association  
American Family Foundation  
American Occupational Therapy Association  
American Psychiatric Association  
American Psychoanalytic Association  
American Psychological Association  
Anxiety Disorders Association of America  
Association for the Advancement of Psychology  
Bazelon Center for Mental Health Law  
Child Welfare League of America  
Cult Awareness Network  
International Association of Psychosocial Rehabilitation Services  
National Association OF Developmental Disability Councils  
National Association of Homes and Services for Children  
National Association of Social Workers  
National Association of State Mental Health Program Directors  
National Community Mental Healthcare Council  
National Depressive and Manic Depressive Association  
National Federation of Societies for Clinical Social Work  
National Foundation for Depressive Illness  
National Mental Health Association  
World Association for Psychosocial Rehabilitation

For further information please contact:

Joe Manes; Bazelon Center for Mental Health Law; (202) 467-5730  
Al Guida; National Mental Health Association; (703) 838-7502

## **MENTAL HEALTH AMENDMENT**

(1) Amendment to pages 73-75 “Accountability”:

, except that such plan may not impose treatment limits or financial requirements on mental illness services which are not imposed on services for other conditions. Nothing in this section shall be construed as preventing such plan from requiring pre-admission screening, prior authorization of services to those that are medically necessary.

Acute inpatient mental health services, including services furnished in a State operated mental hospital and, residential treatment centers services for children.

Outpatient and intensive community-based mental health services, including psychiatric rehabilitation, day treatment, intensive in-home services for children, and partial hospitalization.

## CONRAD AMENDMENT ON MENTAL HEALTH SERVICES

### **AMENDMENT:**

On page 74, insert the following:

1. Outpatient mental health services a state may provide shall include:
  - Outpatient and intensive community-based mental health services, including psychiatric rehabilitation, day treatment, intensive in-home services for children, and partial hospitalization.
2. In place of “inpatient mental health services”, insert the following:
  - (i) Acute inpatient mental health services, including services furnished in a State operated mental hospital and (ii) residential treatment center services for children
3. States have complete authority to elect the scope of assistance available to Medicaid recipients, but they may not impose treatment limits or financial requirements on mental illness services which are not imposed on services for other illnesses or diseases. States shall not be prevented from requiring pre-admission screening prior authorization or services other mechanisms limiting coverage of mental illness services to those that are medically necessary.

### **EXPLANATION:**

Current Medicaid law permits states great flexibility in defining a range of community-based services for adults and children who have serious mental disorders. Virtually all mental health services provided by state Medicaid programs are optional. This new amendment retains the optional nature of mental health coverage while ensuring that the new program does not unintentionally preclude states that wish to do so from providing a full array of services.

The provisions of this amendment on outpatient community-based services are intended to guarantee state flexibility. There is concern that any legislative language that only refers to “outpatient” services without including options like rehabilitation, day treatment, etc., could be perceived by states as limiting their authority to fund such options.

The inpatient services language is intended to ensure states will not substitute federal dollars for state funds that have historically been spent on the residents of state operated mental hospitals. The Chairman’s Mark completely repeals the so-called “IMD” exclusion, under which the Federal government has historically refused to pay the costs of individuals between ages 21 and 65 in Institutions for Mental Disease. Like the Chairman’s Mark, the Conrad Amendment permits Medicaid reimbursement for acute care coverage in state operated facilities and private psychiatric hospitals. However, unlike the Chairman’s Mark, the amendment ensures that states will continue to pay the cost of long term services that have been a state responsibility since the 1870s.

The non-discrimination language merely prohibits states from applying arbitrary blanket limits to mental health services that are not applied to other services. The provision does nothing to preclude states from conducting pre-admission screening, prior authorization, etc. Nor does it require that particular groups of people with mental disorders be covered, or that any specific range of mental