

# Mental Health Liaison Group

September 9, 2002

The Honorable Max Baucus  
Chairman, Senate Finance Committee  
219 Dirksen Senate Office Building  
Washington, DC 20510

Dear Mr. Chairman:

In light of recent reports that the Finance Committee is developing legislation to increase payments to Medicare providers, the undersigned organizations in the Mental Health Liaison Group write to urge that you take this opportunity to also address a discriminatory provision in Medicare law that greatly discourages mental health providers from treating Medicare beneficiaries, thus impeding beneficiaries' access to these critical services with tragic consequences.

As you may know, mental illness plagues millions of older Americans and people with disabilities who rely on Medicare. In fact, 20 percent of older adults experience mental disorders, including phobias, obsessive-compulsive disorder and depression. An estimated 40 percent of those who qualify for Medicare based on their disabled status have a diagnosed mental illness.

However, it is estimated that only half of older adults who acknowledge that they have a mental health problem receive any services, and over two-thirds of those who need psychiatric treatment do not receive it. Perhaps it is not surprising then to note that Americans aged 65 and older have the highest rate of suicide of any population in the United States, accounting for 20 percent of all suicide deaths.

While perhaps not surprising, this situation is nonetheless tragic, particularly in light of the fact that research has shown high treatment effectiveness rates for such illnesses as depression (70-80%) and panic disorder (70-90%) which far surpass effectiveness rates for treatment of other medical conditions, for example heart disease (45-50%).

A major impediment blocking Medicare beneficiaries from receiving critical mental health care is the fact that Medicare imposes a much higher coinsurance for outpatient mental health services -- 50 percent instead of the usual 20 percent. Fifty percent is often far more than senior citizens and people with disabilities living on fixed incomes are able to pay. As a result, mental health providers are frequently unable to collect this coinsurance, and many are forced to turn away Medicare beneficiaries in need of mental health services. There is no rational basis for imposing a higher co-pay for mental health services, and this disparity is obviously yet another example of the widespread stigma surrounding mental illness.

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

As you may be aware, two Senate bills would eliminate this inequity by reducing the 50% coinsurance to that required, at a maximum, for all other medical services -- 20%. Senators Snowe and Kerry introduced S. 841, the Medicare Mental Illness Nondiscrimination Act of 2001 and Senator Wellstone introduced S. 690, a more comprehensive parity bill known as the Medicare Mental Health Modernization Act.

As you continue working on legislation to increase Medicare provider payments, we urge you to address the urgent need of both providers and beneficiaries by including a provision to eliminate the discriminatory, stigma-based provision in the Medicare statute that imposes a 50 percent coinsurance for outpatient mental health services.

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 for Psychosocial Rehabilitation  
American Association of Children's Residential Centers  
American Association of Pastoral Counselors  
American Association of Private Practice Psychiatrists  
American Counseling Association  
American Federation of State, County and Municipal Employees  
American Group Psychotherapy Association  
American Mental Health Counselors Association  
American Nurses Association  
American Occupational Therapy Association  
American Psychiatric Association  
American Psychiatric Nurses Association  
American Psychoanalytic Association  
American Psychological Association  
Anxiety Disorders Association of America  
Association for Ambulatory Behavioral Healthcare  
Association for the Advancement of Psychology  
Bazelon Center for Mental Health Law  
Children and Adults with Attention-Deficit/Hyperactivity Disorder  
Clinical Social Work Federation  
Depression and Bipolar Support Alliance  
Federation of Behavioral, Psychological & Cognitive Sciences  
International Association of Psychosocial Rehabilitation Services  
International Society for Psychiatric-Mental Health Nursing  
National Alliance for the Mentally Ill  
National Association for Rural Mental Health

National Association of Anorexia Nervosa and Associated Disorders  
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 Council for Community Behavioral Healthcare  
National Mental Health Association  
Suicide Prevention Action Network  
TARA National Association for Personality Disorder  
Tourette Syndrome Association  
Union of American Hebrew Congregations