

Mental Health Liaison Group

Washington, DC

July, 2004

Dear Candidate:

On behalf of the Mental Health Liaison Group (MHLG), a coalition representing the diverse mental health community that serves adults and children with mental disorders and their families, we are pleased to provide this **briefing paper** on mental health issues as a guide in your campaign.

The President's New Freedom Commission on Mental Health, the first such commission in over 25 years, found that **our nation's failure to make mental health a priority is a national tragedy**. For too many Americans with mental illnesses, mental health services and supports are disconnected and often inadequate, reported Commission Chair Dr. Michael F. Hogan. The Commission found that the time has come for a fundamental transformation of the nation's approach to mental health care. Will you join the Commission in supporting the transformation of the mental health system?

The demobilization of tens of thousands of Guard and Reserve personnel, returning to the U.S. from Iraq and elsewhere, is adding pressure to our mental health system, which is fragmented, strained past its capacity, and in need of immediate improvement. An estimated 10-15 percent of all military personnel will require treatment for major depression, generalized anxiety, or posttraumatic stress disorder (PTSD), and many will be at risk for suicide. Reserve component personnel rely on community-based health care, not the Veterans Administration, and unfortunately, there are simply not enough community-based mental health services for all those in need.

Mental illnesses, compared with all other diseases, rank **first** in terms of causing disability in the United States. Approximately 54 million Americans have a mental illness. Twenty percent of the population experiences a mental illness in a given year – 5 percent for whom the disorder is a severe and persistent illness, such as schizophrenia, bipolar disorder or major depression.

We hope that this primer will provide you with insight on the mental health issues that are integral to the nation's overall health. This guide is organized by issue area and seeks to strengthen the relationship shared by the public and private sectors on these issues. For further information, please visit our Web site, www.mhlg.org. To access the briefing paper, please click [here](#).

Sincerely,

Mental Health Liaison Group Endorsing Organizations:

American Association for Geriatric Psychiatry

American Association for Marriage and Family Therapy

American Association of Pastoral Counselors

American Counseling Association
American Group Psychotherapy Association
American Managed Behavioral Healthcare 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
The Association for Ambulatory Behavioral Healthcare
Bazelon Center for Mental Health Law
Children and Adults with Attention-Deficit/Hyperactivity Disorder (CHADD)
Child Welfare League of America
Depression and Bipolar Support Alliance
Eating Disorders Coalition for Research, Policy and Action
Ensuring Solutions to Alcohol Problems
Federation of Families for Children's Mental Health
NAADAC—The Association for Addiction Professionals
National Association of Anorexia Nervosa and Associated Disorders (ANAD)
National Association for Children's Behavioral Health
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 Coalition of Mental Health Professionals and Consumers, Inc.
National Council for Community Behavioral Health
National Mental Health Association
Suicide Prevention Action Network USA
United States Psychiatric Rehabilitation Association

Note: Endorsing organizations retain the right to voice additional views.

Costs of Mental Disorders to the Nation

Mental, emotional and addictive disorders have a major impact on the lives of millions of Americans and their families. These illnesses also cost the American economy and American businesses tens of billions of dollars each and every year. Worse yet, there is a tremendous toll associated with **not** providing meaningful resources for mental health programs: people with mental illnesses cannot get the care they need to help them achieve recovery.

- The total yearly cost for mental illnesses in both the private and public sector is nearly \$200 billion. Lost productivity accounts for \$105 billion, and direct treatment costs are estimated at \$92 billion; clinical depression alone is estimated to cost American businesses at least \$30 billion a year in lost productivity and worker absenteeism.
- According to National Institute of Mental Health testimony, 90 percent of the 30,000 people who commit suicide in America every year have a mental illness. Deaths from suicide are nearly twice the number of deaths from homicide (18,000). An estimated 650,000 people attempt suicide each year.
- An astounding 80 percent of children entering the juvenile justice system have mental disorders.
- More than three million individuals (more than 35 percent of people with disabilities receiving Supplemental Security Income) are receiving disability benefits due to mental disorders.
- People with mental, emotional or addictive disorders are also disproportionately represented in our nation's homeless population.

Mental Health Treatment

Treatment Effectiveness

Treatment outcomes for people with serious mental illnesses have higher success rates than well-established general medical or surgical treatments for heart disease, such as angioplasty:

- Schizophrenia: 60 percent treatment success rate
- Bipolar Disorder: 80 percent
- Major Depression: 80 percent
- Panic Disorder: 80 percent
- Obsessive-Compulsive Disorder: 60 percent.

Treatment Gap

- **Sadly, despite the proven effectiveness of mental health treatment,** more than 67 percent of adults and nearly 80 percent of children who need mental health services do **not** receive treatment.
- The reasons for this treatment gap include: (1) financial barriers, including discriminatory provisions in both private and public health insurance plans that limit access to mental health treatment, and (2) the stigma surrounding mental illnesses and treatment.
- It takes an overwhelming 15 years for a science discovery to make its way into service delivery.

New Freedom Commission on Mental Health

As part of President Bush's policy agenda, the New Freedom Commission on Mental Health was established in April 2002 to ensure that Americans with mental illness do not fall through the cracks; that lives not be lost; and that recovery be a realistic goal of treatment. The Commission conducted a comprehensive study of the U.S. mental health service delivery system, including public and private sector providers, and found the mental health system to be "in shambles" and in need of major repair. The Commission's **final report**, released in July 2003, included six key goals for transforming the mental health system:

- Goal 1: Americans Understand that Mental Health is Essential to Overall Health
- Goal 2: Mental Health Care is Consumer and Family Driven
- Goal 3: Disparities in Mental Health Services are Eliminated
- Goal 4: Early Mental Health Screening, Assessment and Referral are Common Practice
- Goal 5: Excellent Mental Health Care is Delivered and Research is Accelerated
- Goal 6: Technology is Used to Access Mental Health Care and Information

Public Mental Health: The Fragile Social Safety Net

The President's New Freedom Commission was influenced by the Supreme Court's decision in *Olmstead v. L.C. and E.W.* (1999), which found that individuals with mental illnesses are protected under the Americans with Disabilities Act and entitled to community-based services rather than institutionalized care. Yet despite *Olmstead*, a severe shortage of community-based services remains.

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 provides essential services to people in the public mental health system.

- Medicaid covers approximately 40 million individuals, including children, older persons, people who are blind or have other disabilities and individuals 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, states should be given greater flexibility with respect to community mental health services, so that they can more easily fund comprehensive programs that combine different Medicaid service options and pay for them as one package.

- Almost every state has implemented reimbursement for many social supports necessary for successful recovery in the community -- especially housing and employment. These additional services are extremely vulnerable in times of tight budgets.
- Twenty-five percent of American children are enrolled in Medicaid and entitled to all necessary treatment services under the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Act. A recent General Accounting Office (GAO) study found that comprehensive screening rates are as low as 6 percent, severely restricting access to necessary services.

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.

In the past two years, states have reduced coverage under Medicaid, in response to fiscal crises. Given the critical role that Medicaid plays in underwriting public mental health services in this country, further cut backs should be avoided. The federal government could assist states by taking action to provide fiscal relief and also by avoiding policy changes that drastically alter the nature of the program, such as capping the federal contribution to states.

Congress should ensure that the entitlement to services for low-income people on Medicaid continues.

Medicare

Medicare provides coverage to over 39 million Americans. Medicare provides health insurance to people age 65 and over, as well as to certain people with disabilities.

Regarding mental health, Medicare requires beneficiaries to pay 50 percent of the costs of outpatient treatment – a blatantly discriminatory practice given that Medicare requires beneficiaries to pay only 20 percent of non-mental health related outpatient services. Medicare provides no coverage for services critical to many people with mental illnesses – services such as case management or psychiatric rehabilitation – and Medicare also limits patients to 190 days of inpatient care.

- Congress must correct discriminatory practices that Medicare uses to limit mental health services, as well as additional limits on the types of outpatient services and the types of providers eligible for reimbursement.
- Given the high prevalence of depression among the elderly and the alarming rate of suicide in this population (19 percent 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. This issue requires immediate attention since retiring baby boomers will swell the Medicare rolls.

Custody Relinquishment

Thousands of families across the country too often are forced to choose between keeping their child and obtaining access to the health care and services the child so desperately needs.

Intensive services to treat mental health problems are very costly and often not covered by private insurance. In many instances these families are not eligible for Medicaid because of income, leaving parents unable to afford specialized care for their children. As a result, one in four families of severely emotionally disturbed children are counseled to consider relinquishing custody, and one in five find it necessary to give up custody of their child to state agencies in order to secure treatment. Custody relinquishment of a child solely to access necessary mental health services and supports is a horrific national problem that is directly related to the lack of access to appropriate mental health services for children in both the private and public sectors.

- Congress should provide relief to families faced with custody relinquishment by: (1) permitting families to purchase Medicaid coverage for their child, thus ensuring access to a full range of community and residential services to treat the child's disorder; and (2) enacting the legislation to provide funds to states to develop infrastructure and plans for avoiding custody relinquishment.

Parity in Group Health Insurance

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. 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 can end these discriminatory practices: the “mental health parity” legislation now before it says 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 both fair and affordable. The Congressional Budget Office has projected that enactment of the pending parity legislation would on average increase insurance premiums by less than one percent. That projection does not take into account the offsetting savings that would be achieved through increased worker productivity and reduced absenteeism.

President Bush has called on Congress to pass parity legislation. Currently, 247 Members of the House of Representatives have cosponsored H.R. 953, and 69 Senators have cosponsored S. 486, the Senate companion bill to H.R. 953. This broad, bipartisan support for legislation, now backed by 365 national organizations underscores the message that there is a moral imperative for ending discrimination against people with or at risk of mental illness.

Like its mental health counterpart, addictive disorders represent a science-based illness that has encountered discriminatory practices in relation to other illnesses. The bipartisan Help Expand Access to Recovery & Treatment Act (HEART) seeks to eradicate the discriminatory practices by stating that if an employer elects to provide substance abuse benefits, such benefits would be on par with medical and surgical coverage. Recent surveys, such as a 2003 SAMHSA study on

the Mental Health and Substance Abuse Parity law in Vermont shows that if parity were enacted for addictive disorders, it would fall below the one percent cost increase, similar to levels of its mental health counterpart.

Discretionary Funding for Mental Illness Services and Research

Substance Abuse & Mental Health Services Administration (SAMHSA)

The roles of the Substance Abuse and Mental Health Services Administration (SAMHSA) and its three centers, the Centers for Mental Health Services (CMHS), Substance Abuse Treatment (CSAT) and Substance Abuse Prevention (CSAP), are:

- to provide national leadership in improving mental health and substance abuse services by designing performance measures,
- to advance service-related knowledge development, and
- to facilitate the exchange of technical assistance.

SAMHSA fosters the development of standards of care for service providers in collaboration with states, communities, managed care organizations and consumer groups, and it assists in the development of information and data systems for services evaluation. SAMHSA also provides crucial resources to provide safety net mental health services to the under- or uninsured in every state. SAMHSA delivers science- and research-based programs to states and local communities that in turn improve services for the consumers including older adults, adults, young adults, adolescents and children.

The authorizing legislation for SAMHSA expires at the end of Fiscal Year 2004.

- In reauthorizing the agency, Congress should encourage programs and demonstration initiatives that link to the recommendations of the President's Commission report. These would include: (1) addressing the fragmentation across federal agencies; (2) supporting states in the development of systems of care for adults and children and in ensuring cross-agency planning of all services and supports that individuals with mental disorders need; (3) expanding the use of evidence-based practices; (4) dealing with the critical shortage of mental health manpower; (4) implementing the National Strategy for Suicide Prevention; (5) improved integration between physical health care and mental health care; (6) screening and early identification for children; and (7) programs of services to divert individuals from juvenile and criminal justice, as well as other issues.

National Institutes of Health (NIH)

The National Institutes of Health (NIH) is the world's premier medical and behavioral research institution. The three institutes that focus their research on mental illness and addictive disorders are the National Institute of Mental Health (NIMH), the National Institute on Drug Abuse (NIDA) and the National Institute on Alcohol Abuse and Alcoholism (NIAAA). An overwhelming body of science demonstrates that: (1) mental illnesses are diseases with clear biological and social components; (2) treatment is effective; and (3) the nation has realized

immense dividends from five decades of investment in research focused on mental illnesses and mental health.

- MHLG advocates for the continued robust federal funding for biomedical and behavioral research being conducted at NIMH, NIDA, and NIAAA which aims to: (1) improve delivery of evidence-based treatment; (2) develop new treatments; and (3) ensure rapid and effective dissemination and use of research to policymakers, health care providers, and the public.