

Mental Health Liaison Group

January 16, 2003

The Honorable J. Dennis Hastert
Speaker of the House
U.S. Capitol
Washington, DC 20515

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

Dear Mr. Speaker and Dr. Frist:

The undersigned members of the Mental Health Liaison Group, a coalition of national organizations representing the diverse interests of the mental health community, wish to express our opposition to legislation that would exempt association health plans (AHPs) from state regulation and thereby undermine state mental health parity laws and other critical consumer protections.

Bills to increase the availability of AHPs by exempting them from state health insurance reforms were introduced in the last Congress (H.R. 1774 and S. 858) and endorsed by the Administration. This year there will be a concerted effort to pass this legislation, which we believe would undercut significant progress made at the state level to improve coverage of mental health services.

Improving access to mental health care is of primary concern to our members. Millions of Americans who have health coverage are denied the mental health care they need by discriminatory limitations on their coverage. Each year, less than a third of adults and even fewer children receive the mental health services they need. This denial of care makes little sense as treatment success rates for mental illnesses are often better than those for many physical illnesses.

Moreover, untreated mental illness costs the American economy at least \$79 billion annually in lost productivity, absenteeism, unemployment and increased health costs. Perhaps most tragic is the high rate of suicide in this country that undoubtedly results from inadequate mental health care as mental illness is associated with over 90% of all suicides. Each year over 30,000 Americans die from suicide and almost 650,000 individuals require emergency care for injuries caused by suicide attempts. Legislation that impairs state laws designed to improve access to mental health care can only weaken a mental health system that the President's New Freedom Commission on Mental Health recently described as being "in shambles."

To address some of these concerns, President Bush has called on Congress to enact full mental health parity requirements for group health plans, and Congressional support for such federal legislation is widespread. But, over 36 states have already passed parity laws for insurance plans governed by state law and more than 32 states require insurance plans to cover a minimum

National organizations representing consumers, family members, advocates, professionals and providers
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amount of mental health benefits. These laws represent significant steps toward our goal of improving access to mental health care for all, but this progress would be undermined by legislation that would exempt AHPs from state consumer protections and replace them with negligible standards.

Although supporters argue that this AHP legislation would lower the cost of insurance for small businesses and thus increase coverage, the Congressional Budget Office (CBO) has predicted that 80% of workers in small firms would face premium increases. Under this proposal, AHPs would reduce costs by offering pared-down benefit packages excluding coverage of mental health services or prescription drugs, for example. These low-cost plans would appeal to those firms with primarily young, healthy employees, but as a result those in need of more comprehensive benefits would have to pay more for traditional coverage. According to CBO, a large majority of employees would remain in traditional plans with higher premiums.

CBO estimates that any increase in coverage would be minimal because most of those covered by AHPs would have been previously covered by traditional plans. Thus the benefit of this legislation would be small, but the detriment would be great because of the weakening of crucial state laws, such as those that prohibit discriminatory limits on mental health care by state-regulated plans.

In addition, by undermining state oversight of insurance agreements, this legislation would expose health care consumers to the fraud and abuse that multiple employer welfare arrangements (MEWAs), similar in structure to AHPs, have committed in the recent past. These plans left almost 400,000 participants with more than \$120 million in unpaid medical bills for doctors, hospitals and other health care providers in the late 1980's and early 1990's.

Consequently, we urge you to oppose legislation that would exempt AHPs from state regulation such as mental health parity laws and other consumer protections. Thank you for your consideration of our views.

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 Pastoral Counselors
American Counseling Association
American Family Foundation
American Group Psychotherapy Association
American Managed Behavioral Healthcare Association (AMBHA)
American Mental Health Counselors Association
American Psychiatric Association

American Psychiatric Nurses Association
American Psychological Association
American Psychotherapy Association
American Society of Clinical Psychopharmacology, Inc.
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
Child Welfare League of America
Clinical Social Work Federation
Depression and Bipolar Support Alliance
Employee Assistance Professionals Association
Federation of Behavioral, Psychological & Cognitive Sciences
Federation of Families for Children's Mental Health
National Alliance for the Mentally Ill
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 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 Foundation for Depressive Illness
National Mental Health Association
Suicide Prevention Action Network
Tourette Syndrome Association