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September 18, 2009

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

The Honorable Chuck Grassley
Ranking Member, Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Baucus and Ranking Member Grassley:

I am writing on behalf of the American Psychiatric Association (APA), the nation's oldest medical specialty representing more than 38,000 psychiatric physicians across the United States, to provide comments on the draft Finance Committee health reform bill.

We appreciate the hard and thoughtful work of the Finance Committee and other key committees of the Senate and the House of Representatives in developing comprehensive health reform bills that are intended to help to secure access to quality health care services for all Americans. I hope the following comments on the Chairman's mark, are helpful.

APA commends you in particular for including coverage of mental illness and substance-use disorders within the basic benefit package required by all qualified health benefit plans within the Health Insurance Exchange. Other positive features include the following provisions:

- Prohibiting insurance companies from dropping or denying coverage for people with pre-existing conditions and ending discrimination based on health status.

- Including mental health and substance abuse in the minimum benefit package for the Health Insurance Exchange.
- Creating the Healthy Lifestyles program, which may help address co-morbid conditions such as depression.
- Promoting integrated care, especially for individuals with two or more chronic conditions.
- Extending the current physician fee schedule mental health add-on as enacted in the Medicare Improvements for Patients and Providers Act of 2008.
- Expanding Medicaid eligibility to 133 percent of the federal poverty level and providing tax credits to help low and middle income families purchase insurance in the private market.
- Creating mechanisms to test, evaluate, and expand different payment structures and methodologies to foster patient-centered care, improve quality, and incentivize coordinated patient care.
- Including a discount program for beneficiaries to address the Part D “donut hole” in prescription drug coverage for Medicare.
- Ensuring affordable access to American Indians/Alaska Natives (AI/AN) by implementing no cost sharing for AI/AN at or below 300 percent of the federal poverty level.
- Requiring federal health programs to collect uniform data on race, ethnicity, gender and disability to help end disparities among these groups.
- Eliminating (in 2014) smoking cessation medications, barbiturates, and benzodiazepines from Medicaid’s excluded drug list.

These provisions take critical steps in improving access to care for all Americans across the continuum of care, and especially for individuals with mental health and substance use disorders. APA however, also has serious concerns about the Chairman’s mark that we would like to identify for you in advance of the Committee’s markup next week and work with you to develop amendments to address them or to provide additional information should you need it.

- **Mental Health Parity** - Last Congress, the Committee made great steps in providing access to mental health services by the passage of “parity” in Medicare. We respectfully urge the Finance Committee to continue its leadership by requiring similar comparability in the health insurance made available to the public in a reformed health care system. We recommend using parity language included in the House Tri-Committee legislation to preserve advances in parity for mental health and substance-use disorder treatment.

- **Medicaid Medical Home Clarification -** We understand that the current language on integrated care for individuals with two or more chronic conditions is intended to ensure that patients with severe mental illnesses are able to receive care in a medical home demonstration. We understand however that Senator Stabenow intends to offer a clarifying amendment to ensure that this is explicit. We support Senator Stabenow’s amendment and respectfully urge you to accept it. Likewise, we strongly encourage the committee to ensure that any Medicare or Medicaid Medical Home demonstration ensures that patients have access to all necessary treatments for mental illness including substance-use disorders.

- **Sustainable Growth Rate (SGR)** - As the members of the Committee know, physicians face a 21.5 percent cut in reimbursement rates starting January 1, 2010 due to a fundamental flaw in the physician payment formula based on the SGR. While APA appreciates the Committee's work to include a one-year postponement of the cut for 2010 and increasing payments by 0.5 percent, we are concerned that a long-term fix was not included in the Chairman's mark and thus Congress will have to continue to provide an annual fix as cuts deepen. Again, we urge you to include language comparable to that in the Tri-Committee bill that provides a long-term fix to this problem.

- **Physician Quality Reporting Initiative (PQRI) Penalties** - While APA supports the concept of shifting reimbursement to a value-based system versus volume-based system, we are concerned that the penalties included for eligible physicians who decline to participate in the PQRI program may have unintended consequence and should be reconsidered. In particular, we note that many psychiatrists are in solo or small group practice, and that incentives to participate in the PQRI may well be insufficient to offset the increased burdens of reporting. At a minimum, any proposal to extend or expand the current program must include "hold harmless" language to protect physicians for whom participation in PQRI is neither reasonable nor feasible.

- **Primary Care Bonuses** - The APA appreciates the Committee's interest in increasing the supply of primary care physicians, but this should not come at the cost of other services, which could have significantly negative impact on specialties and subspecialties in short supply.

  We also encourage the Committee to protect current law that makes psychiatrists providing services in a mental health Health Professional Shortage Area (HPSA) eligible for bonuses. A report by the Annapolis Coalition, *An Action Plan for Behavioral Health Workforce Development* (2007), found the rural workforce crisis is particularly acute. More than 85% of the 1,669 federally designated mental health professional shortage areas are rural (Bird, Dempsey, & Hartley, 2001) and they typically lack even a single professional of any level of training working in mental health disciplines.

- **Medicare Commission**- We are also concerned about the creation of a Medicare Commission that would develop and submit proposals to Congress aimed at extending the solvency of Medicare, slowing Medicare cost-growth, and improving the quality of care delivered to Medicare beneficiaries. Primarily we are concerned by the process for which the Commission's (or Secretary's) proposal to reduce excess cost growth would become law. The process as designed is quite cumbersome and could easily be slowed down by the layers of bureaucracy involved with the development and review of the proposal. Thus, deadline requirements could be missed which would result in the automatic implementation of program changes without meaningful oversight by Congress, which should maintain an active oversight of proposals impacting coverage and payment

- **Medicare Disabilities Waiting Period –** APA was pleased when the Committee included policy options to eliminate the delay in coverage for people with severe disabilities waiting to become eligible for Medicare coverage in its "Expanding Health Care Coverage: Proposals to Provide Affordable Coverage to All Americans" paper. Unfortunately, no provision is included in the Chairman's mark to end the 24-month waiting period for Medicare eligibility once an individual has qualified to receive Social

Security Disability Insurance. The two-year wait period puts people with severe disabilities particularly those with mental illness, at risk. With a gap in coverage, individuals forego medical treatments, stop medications, and otherwise compromise their health. We respectfully request for you to include an amendment to close this gap for our most vulnerable citizens.

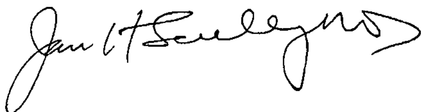
- **Post Partum Depression Screening** – APA supports improving access to preventive services and we would like to clarify these preventive services would include post partum depression screening. The United States Preventive Services Task Force provides a "B" rating for screening adults with depression. Under this recommendation the need to screen women with postpartum depression (PPD) should not be overlooked. In the United States, nearly 800,000 new cases of PPD are recorded each year. If properly diagnosed and treated, women have a 90 percent chance of recovering from PPD. Unfortunately, it is estimated that approximately half of the women suffering from PPD go undiagnosed.

- **Psychiatric Hospital Stays –** We respectfully urge the Committee to include a provision eliminating Medicare's 190-day lifetime limit on psychiatric hospital stays included in the discussion draft. Eliminating the cap on inpatient Medicare coverage would address remaining inequities in the Medicare program and greatly improve the care available to beneficiaries with severe mental illnesses.

- **Market Basket Cuts** - We are also concerned about proposed cuts to psychiatric facilities as mental health services have been drastically cut by states during the economic downturn and more cuts would reduce necessary access to services for individuals with mental health and substance use disorders. For instance, according to the Center for Budget and Policy Priorities, in the last year, more than 20 states have cut health programs. These health cuts have fallen most heavily on areas such as mental health, public health, and health professionals who serve persons on Medicaid. While improving access to insurance will help, greater attention is needed for public psychiatry services.

Thank you for taking the time to consider these comments and concerns. The APA applauds your efforts to improve our nation's health system, and your thoughtful consideration of the role of providers, physicians and other health practitioners in delivering quality, patient centered health services. We welcome the opportunity to provide further comments or information on the issues listed above. As health reform continues to advance, we look forward to working with you. Please feel free to contact me, or Michelle Dirst at **mdirst@psych.org** for additional information.

Sincerely,



James H. Scully, Jr. M.D.
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