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May 22, 2017

The Honorable Orrin Hatch
Chair
Senate Finance Committee
Washington, DC 20510

The Honorable Ron Wyden
Ranking Member
Senate Finance Committee
Washington, DC 20510

Dear Chairman Hatch and Ranking Member Wyden:

We are writing on behalf of the American Psychological Association and the American Psychological Association Practice Organization to express our opposition to the American Health Care Act as passed by the House, and to share our priorities for improving Americans' access to mental health and substance use treatment services within health care reform legislation. Our organizations comprise nearly 115,700 members and affiliates, who are clinicians, researchers, educators, consultants, and students. We oppose the American Health Care Act, and we urge the Senate to start over in developing legislation to improve our health care system.

It is vitally important that Congress effectively address our nation's mental health and substance use treatment needs in any health care reform legislation it enacts. Mental health and substance use disorders are the leading cause of disease burden in the U.S., yet appropriate treatment for these disorders remains the exception rather than the rule. Less than half of the 45 million American adults with a mental illness and 19 million adults with a substance use disorder receive needed treatment. Inadequate mental health and substance use treatment devastates individuals and families, as highlighted by the fact that over 33,000 Americans died in 2015 from an opioid overdose. Inadequate treatment also impacts the rest of our health care system: for example, untreated depression greatly increases health risks and overall spending for patients with comorbid chronic conditions, such as diabetes or congestive heart failure.

The American Health Care Act (AHCA) approved by the House would severely damage Americans' access to mental health and substance use treatment. According to the initial Congressional Budget Office (CBO) estimate, AHCA would remove coverage from 14 million Medicaid beneficiaries and from 10 million more individuals with private health insurance. (The AHCA, as passed by the House, has yet to be scored by CBO.) Millions more would lose access to treatment as a result of mental health and substance use services no longer being covered as part of their benefit package, or as a result of being priced out of coverage by insurers charging exorbitant premiums for having a pre-existing mental health or substance use disorder.

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This is the wrong direction for our nation. Instead, health care reform must result in more, not fewer, people having coverage for mental health and substance use treatment. The Senate should avoid major flaws of the AHCA that would have a disastrous impact on Americans with mental health and substance use disorders.

Medicaid eligibility for Americans below 138% of the federal poverty level must be retained. Low-income and uninsured adults have roughly twice the rate of serious mental illness as those with insurance and higher incomes. Medicaid is a cornerstone of our country's mental health system, providing more than 25% of all financing for mental health services and 21% of financing for substance use services. Medicaid expansion has been particularly helpful in addressing the opioid epidemic, as illustrated by the 700% increase in use of substance use treatment services among Kentucky beneficiaries after the state expanded its Medicaid program. Expansion has also helped veterans: research shows that between 2013 and 2015, the uninsured rate among nonelderly veterans fell by nearly 40%, primarily as a result of Medicaid expansion.

The current Medicaid financing structure must be continued, without the use of per capita caps or block grants. The danger of capping federal Medicaid payments is shown by the opioid epidemic. Private insurance payments for opioid abuse and dependence services increased by 1,375% between 2011 and 2015 (from \$32 million to \$446 million), according to a recent analysis. Under a system of Medicaid per capita capped payments, tens of thousands of individuals struggling with opioid addiction would have been denied Medicaid coverage and treatment, and thousands more would have died. Thankfully, without caps, Medicaid has dramatically increased treatment rates, and the program pays for between 35-50% of all medication-assisted opioid treatment. States already have significant flexibility in tailoring their Medicaid programs, and can be provided more flexibility without capping federal payments.

Plans must continue to be required to cover an essential health benefits package, including mental health and substance use disorder services, and behavioral health treatment, and must be prohibited from charging higher premiums for those with pre-existing conditions. Before the Affordable Care Act, 34% of plans in the individual market did not cover substance use treatment, and 18% did not cover mental health treatment. As noted earlier, mental health and substance use disorders are the leading cause of disease burden in the U.S. Consequently, we find it inconceivable that coverage for these disorders would not be a required component of all health insurance packages. Removing the requirement to cover mental health and substance use treatment would also take away protections under the Mental Health Parity and Addiction Equity Act from those with coverage on the individual and small group markets. Although AHCA lets stand the current law requirement that plans cover individuals with pre-existing conditions, it allows plans to charge prohibitively high premiums for doing so. This would make coverage unobtainable for many individuals with mental health and substance use disorders.

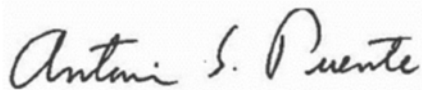
Congress must strengthen the health insurance exchanges and increase coverage rates. Instead of removing funding and protections from our health care system, Congress should extend coverage for mental health and substance use treatment to more Americans. An important step Congress can take to strengthen the health insurance exchanges is to authorize the Affordable Care Act's cost-sharing reduction (CSR) payments. Without this promised funding health plans will be forced to leave the marketplace or sharply raise premiums, in order to recoup

the loss of billions of dollars in federal payments. Additionally, we are opposed to allowing insurers to impose a 30% premium surcharge on enrollees with a coverage lapse of at least 63 days, which could make coverage cost prohibitive for many individuals with mental health and substance use disorders.

Our nation cannot afford to go back to the days when insurers selectively enrolled individuals to avoid financial responsibility for needed services. Nor can we afford to return to viewing mental health and substance use services as unimportant and optional. Rather, we must further reduce the uninsured rate, develop integrated systems of care, and continue to foster an environment in which health plans compete on how efficiently and effectively they can keep Americans healthy.

We ask you to work with us and others in the mental health advocacy community to extend comprehensive, reliable coverage for mental health and substance use services to more Americans. We also ask that your committee hold hearings on any health care reform policies or Medicaid changes to be voted on by the Senate. Health care is a life or death issue, and merits thorough, deliberate, and transparent consideration by Congress.

Sincerely,



Antonio E. Puente, PhD
President



Arthur C. Evans, Jr., PhD
Chief Executive Officer