



June 6, 2017

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, DC 20510

Dear Majority Leader McConnell and Minority Leader Schumer:

On behalf of the American Psychiatric Association and the American Psychological Association, we are writing to share our concerns and priorities for improving Americans' access to mental health and substance use treatment services within health care reform legislation. Our organizations are the leading membership associations representing our nation's providers of psychiatric and psychological services.

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. We strongly oppose the American Health Care Act (AHCA), as recently passed by the House. According to the Congressional Budget Office (CBO), the AHCA would result in 14 million more people uninsured in 2018 than under current law and 23 million more people without insurance by 2026. Millions more would lose access to treatment with mental health and substance use services no longer being covered under their benefit package.

This is the wrong direction for our country. Instead, health care reform must result in more, not fewer, people having coverage for mental health and substance use treatment. We urge the Senate to 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 sharply higher rates 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, and Medicaid's coverage of 37% of spending on buprenorphine in New York. Expansion has also helped veterans: research shows that between 2013 and 2015, the uninsured rate among nonelderly veterans fell by nearly 40%, primarily because of Medicaid expansion.

The current Medicaid financing structure must be retained, 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 35-50% of several states' medication-assisted opioid treatment. States already have significant flexibility in tailoring their Medicaid programs and can be provided more flexibility without capping federal payments.

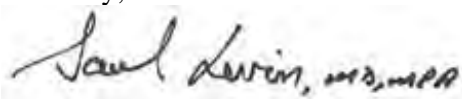
Plans must continue to be required to cover an essential health benefits package, including mental health and substance use disorder services, and behavioral health treatment, and must be prohibited from charging higher premiums for those with pre-existing conditions. Before the Affordable Care Act, 34% of plans in the individual market did not cover substance use treatment, and 18% did not cover mental health treatment. With mental health and substance use disorders being the leading cause of disease burden in the U.S., 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 critical funding, many plans will be forced to 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 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 provide services. We must also invest in research and programs—including by retaining the Prevention and Public Health Fund—to save lives and money by keeping Americans healthy.

We would welcome the opportunity to work with you and others in the mental health advocacy community to extend comprehensive, reliable coverage for mental health and substance use services to more Americans. Health care is a life or death issue, and merits thorough, deliberate, and transparent consideration by the Senate.

Sincerely,



Saul Levin, M.D., M.P.A.
CEO and Medical Director
American Psychiatric Association



Arthur C. Evans, Ph.D.
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