



Testimony of

Phillip A. Saperia, Executive Director

and

Heather R. Mermel, Policy Associate

The Coalition of Behavioral Health Agencies, Inc.

Field Hearings: The Campaign to Insure Mental Health and
Addiction Equity

Hon. Patrick Kennedy, Member of U.S. House of Representatives

Hon. Jim Ramstad, Member of U.S. House of Representatives

Hon. Charles Rangel, Member of U.S. House of Representatives,
Chairman, House Ways and Means Committee

March 16, 2007

The Coalition of Behavioral Health Agencies, Inc.
90 Broad Street, New York, NY 10004-2205
ph. (212) 742-1600; fax (212) 742-2080
mailbox@coalitionny.org; www.coalitionny.org

INTRODUCTION

Chairman Rangel and Representative's Kennedy and Ramstad, thank you for the opportunity to testify before you today on the need for mental health and substance abuse parity. The Coalition commends your efforts, leadership and the results you have achieved on behalf of the behavioral health sector. My name is Phillip Saperia, and I am the Executive Director of the Coalition of Behavioral Health Agencies, the umbrella trade association and advocacy organization of New York's behavioral health community, representing over 100 non-profit behavioral health agencies. Taken together, these agencies serve more than 350,000 adults and children and deliver the entire continuum of behavioral health care in every neighborhood of a diverse New York City and its environs.

Our comments today are directed to a few key areas of the proposed mental health and addiction parity bill which merit special attention. It is our hope that the final bill will incorporate our suggestions, and those made by our colleagues here and around the country.

MENTAL HEALTH PARITY

According to the National Institute of Mental Health, in any given year over 50 million American adults (20% of the population) experience a mental health disorder. For children, one in five have behavioral, emotional or mental health problems. Without mental health insurance coverage, these problems often exacerbate forcing increased utilization of higher cost emergency care services, including community emergency rooms, state psychiatric centers and correctional facilities.

We join many of our colleagues throughout the State in praising former Governor Pataki and the New York State legislature for passing Timothy's Law, which mandates a minimum broad inpatient and outpatient coverage for mental health. For advocates, consumers, family members and providers, the passage of Timothy's Law marked a historic moment in a long and heartfelt campaign. This new legislation will help millions of New Yorkers obtain broader access to inpatient and outpatient mental health care.

FEDERAL PARITY LAW

I would like to commend Congressman Kennedy and Ramstad for introducing the Paul Wellstone Mental Health and Addiction Equity Act of 2007 and Congressman Rangel for supporting the bill. The Coalition enthusiastically supports legislation that would provide mental health and substance abuse parity. Parity for both mental health and addictions treatment is crucial to saving the lives of those that have a mental health or substance abuse disorder. We applaud Congress for proposing legislation that would close the loopholes that allow insurance plans to offer limited coverage for mental health services, including the number of inpatient and outpatient visits, and impose increasingly higher co-pays, deductibles and out-of-pocket costs.

The Coalition supports federal mental health and addiction parity legislation that would prohibit employers and health plans from imposing durational treatment limits and financial limitations. However, the Coalition has its concerns regarding the small business and individual market exemption and the cost exemption. We urge you to

mandate that health insurance plans cover and offer mental health and addiction treatment benefits.

I'll now turn over the microphone to my colleague Heather R. Mermel, the Coalition's Policy Associate, who will give you more detail about what is needed to ensure access to mental health and substance abuse treatment.

SUMMARY

The Surgeon General's Report stated that, "the indirect costs of all mental illness imposed a nearly \$79 billion loss on the U.S. economy in 1990". Research has clearly demonstrated the tremendous financial burden untreated mental illness has on our nation. For years, insurance plans, from private individual and group coverage to federal assistance programs such as Medicaid, have provided unequal coverage for behavioral health and other medical care.

There are now 41 states with parity laws covering 26 million Americans. These laws vary substantially in terms of their scope and requirements. We ask that Congress work together to create a federal parity bill that will build upon and strengthen state mental health parity laws. It is imperative that the federal parity bill does not preempt state laws that provide greater consumer protections, benefits or methods of access to benefits.

The Coalition respectfully urges Congress to:

- Mandate that health insurance plans include mental health and substance abuse coverage in their benefit package;
- Prohibit plans from dropping their existing mental health coverage altogether;
- Require self-insured plans, small businesses, group health plans purchased by firms with 50 or more employees and public programs to meet parity requirements.

Once again I would like to applaud Congressman Kennedy, Ramstad and Rangel for making mental health parity a legislative priority. Both the Senate and House bills have raised the public's awareness about mental illness and the importance of equal benefits for mental health and addictions treatment. The introduction of a federal mental health and addiction parity bill is a critical step toward improved access to care, but also towards ending discrimination and the stigmatization individual's who have a mental illness or a substance abuse disorder experience.

Thank you for your time and attention to this important topic, which is so critical to New Yorkers in every one of our local communities. We will be happy to answer any questions you may have.