

Provisions in the Senate Passed Health Reform Legislation (HR 3590) for Americans Living with Serious Mental Illness and Their Families

Insurance Market Reforms

HR 3590 includes a full range of insurance market reforms that are critically important to people living with serious mental illness that are routinely excluded from coverage on the basis of pre-existing medical conditions. Among these important new protections are:

- Requirements for guaranteed issue and guaranteed renewal of coverage in the individual and small group markets;
- A prohibition of pre-existing health condition exclusions as well as restrictions to severely limit the use of health status in determining premium rates; and
- Greater accountability for health plans seeking to increase premiums on enrollees.

Inclusion and Equitable Coverage of Mental Health and Substance Abuse Benefits

Congress took a major step forward in improving insurance coverage for people with mental illness and their families in 2008 with passage of the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act. This landmark law will ensure that group health plans provide equal coverage for mental illness and substance abuse treatment relative to medical-surgical coverage with respect to durational treatment limits and financial limitations.

Language in HR 3590 will ensure that all health plans offered through health insurance Exchanges authorized in the Senate bill will be required to BOTH offer coverage of mental illness and substance use treatment AND do so in compliance with the new Wellstone-Domenici parity law. It is critical that all plans offered through the Exchange – whether purchased through the individual or small group market – comply with this important new law. New coverage made available to uninsured and underinsured must equitably cover treatment for mental illness.

Improvements to Medicare and Medicaid

The Senate bill includes long overdue improvements to the Medicare and Medicaid programs that are included in HR 3590. Among these are:

- Expansion of Medicaid eligibility to 133% of the federal poverty level (FPL), extending health coverage and security to literally millions of Americans living with serious mental illness, including childless adults not able to qualify for Medicaid in their state;
- Enhancements to the Medicare Part D program including filling the “doughnut hole” coverage gap, expansion of the Low-Income Subsidy (LIS) program, additional protections for dual eligible beneficiaries and codification of legal authority to ensure inclusion of all medications to treat mental illness on prescription drug plan formularies; and
- Authorization for a Medicaid demonstration program for emergency psychiatric services.

Comparative Effectiveness Research (CER)

Both the House and Senate bills provide important opportunities to expand investment in research and treatment for illnesses such as schizophrenia, bipolar disorder, major depression and severe anxiety disorders. For example, HR 3590 includes Senator Debbie Stabenow's proposal authorizing new national centers of excellence for research in depression and bipolar disorder, also known as the ENHANCE Act (S 1857). This will help promote the development and dissemination of evidence-based interventions for depression and bipolar illness and help eradicate the stigma associated with these serious illnesses.

In addition, HR 3590 includes provisions on comparative effectiveness research (CER) that offer tremendous promise toward helping us understand which available treatments work best for particular patients. As increased investment is made in CER, it is critical that standards be developed to ensure that research is high quality and takes into account the wide diversity of needs of patients based on race, ethnicity, age, sex and prevalence of medical co-morbidities. In addition, the provisions in HR 3590 will help ensure that CER is overseen and implemented by an independent, non-governmental institute that genuinely represents the interests of patients, researchers and providers and reflective of how CER can best be used in real world treatment settings.

Community Living Assistance Services and Supports (CLASS) Act

HR 3590 includes the late Senator Edward Kennedy's CLASS Act, a new voluntary, public, long-term care insurance program to help support people with significant functional limitations, including serious mental illness. After a contribution period, individuals determined to need assistance as a result of functional limitations would qualify to receive assistance to purchase services to maintain personal and financial independence. CLASS Act assistance would supplement, and not supplant, other long-term care assistance such as Medicaid.

Immediate Improvements Needed to the Senate Passed Bill

Immediately following House passage of the Senate bill will be a package of changes and improvements to HR 3590. Among the key improvements to the Senate bill of concern to people with mental illness are:

- Higher federal Medicaid match rates for the new expanded eligibility categories that are equitable for all states,
- Complete closing of the Medicare Part D coverage gap,
- Improvements to the Senate provision on restricting annual and lifetime limits in insurance plans, with greater accountability for "grandfathered" plans (prohibiting caps after 2014 and a requirement for covering preventive services with no cost sharing after 2018), and
- New authority for the HHS Secretary to establish federal standards for Community Mental Health Centers (CMHCs) as proposed by the President – this authority is nearly identical to a proposal drafted by Representatives Matsui and Engel for Federally Qualified Behavioral Health Centers (FQBHCs).