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Bill aims for mental health parity in Medicare

Beneficiaries would see the co-payment for mental health care drop from 50% to 20%.

By [David Glendinning](#), *AMNews* staff. April 23/30, 2007.

Washington -- Hoping to ride a growing wave of support on Capitol Hill for mental health parity, one powerful lawmaker has reintroduced a bill that would extend the concept to Medicare.

House Ways and Means health subcommittee Chair Pete Stark (D, Calif.) in March introduced the Medicare Mental Health Modernization Act of 2007. The bill would require the federal government to cover mental health treatment at the same level as it covers other medical services.

Medicare beneficiaries are charged 50% of the bill for outpatient mental health treatment. For most medical services, the beneficiary co-payment is only 20%. Medicare also imposes a 190-day lifetime limit on inpatient mental health services, something it does not do for hospital stays, surgery or other medical services for physical illnesses.

Stark's bill would reduce Medicare's outpatient co-payment to 20% and eliminate the inpatient lifetime limit. He has been trying to require mental health parity for the program for more than a decade without success. But his effort could now benefit from the Democrats' takeover in Congress and growing momentum to pass widely supported parity legislation that would apply to private insurers that offer such benefits.

"As Congress debates requiring private group health plans to offer equal coverage for mental and physical illnesses, it should at the very least make sure public programs provide that same parity," Stark said.

The Medicare legislation also contains provisions aimed at expanding beneficiary access to state-of-the-art outpatient treatments, addressing a shortage of mental health professionals in certain areas and improving access to clinical social workers in the nursing home setting.

Physicians and other health professionals who treat mental illness have complained that Medicare's coverage policy amounts to long-standing discrimination against certain types of patients. Beneficiaries who cannot pay out of pocket for half of their mental health bill do not have adequate access to needed care, doctors say.

"The most significant barrier to equal access is the 50% coinsurance requirement for outpatient psychotherapy services under Medicare, whether delivered by a psychiatrist, psychologist or other behavioral health specialist," said Henry T. Harbin, MD, a Baltimore psychiatrist.

The American Medical Association supports mental health parity and is a member of the Coalition for Fairness in Mental Illness Coverage. The organization is working to generate support for parity legislation.

The counterargument

Opponents say requiring Medicare and private payers who offer mental health benefits to cover them at an equal level will lead to higher costs throughout the entire system. Such costs could make it more difficult in the long run for patients who truly need the care to access it, said John C. Goodman, PhD, president of the National Center for Policy Analysis, a conservative think tank.

"Anyone who has taken Economics 101 will recall that raising the cost of something usually means fewer people will acquire it," Dr. Goodman said.

Stark said his committee may mark up the legislation within weeks. Congressional aides said the bill likely would move independently of measures that would mandate mental health parity for private insurers.