

# American Psychiatric Association

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## Briefing Document Prepared for the Obama-Biden Transition Project By the American Psychiatric Association

January 15, 2008

The American Psychiatric Association (APA) is the nation's oldest medical specialty representing more than 38,000 psychiatric physicians across the United States. Having successfully completed medical school, our members must then complete their residency training in psychiatry. Additional training is required for qualification in subspecialty fields such as child and adolescent psychiatry, geriatric psychiatry, addiction psychiatry, and forensic psychiatry. APA members work in private and public inpatient, outpatient and community-based settings, as researchers and academicians, in the VA, Indian Health Service, Public Health Service and the nation's uniformed services. In short, our members are on the front lines of delivering mental health care and substance use disorder treatment across the country.

### 1. Health Care Reform:

With respect to short-term objectives, our overarching concern is to ensure that major federal legislative gains in Medicare (such as ending the discriminatory 50% coinsurance requirement for outpatient mental health care) and in mental health substance use disorder treatment requirements impacting ERISA and large group health plans are implemented promptly and effectively. Further, we believe that any health care reform program - whether incremental or comprehensive - should be fully consistent with the basic principles embodied in last year's legislation: insurance-driven distinctions between mind and body have no place in 21<sup>st</sup> Century Medicine.

For additional information about our views on health care reform, please see the attached "Position Statement on Principles for Health Care Reform for Psychiatry".

### 2. Mental Health Parity:



In the short term, we respectfully urge the Obama Administration to promptly act to develop and publish an early guidance for the business community from the Departments of Labor, Health and Human Services, and Treasury in order to assist covered employers in implementing the recently enacted federal parity law, clarify how the law will coexist with state laws, and alleviate concerns about costs and coverage decisions.

For additional information on this issue, please see the attached letter recently sent to President-elect Obama and the Secretaries of Labor, Health and Human Services, and the Treasury.

In the mid- to longer- term, we encourage the Obama Administration to:

- Ensure that employers covered by the recently enacted mental health parity law comply with the legislations and are able to negotiate broad appropriate coverage for their employees.
- Maintain mental health coverage at parity for all covered groups and ensure that businesses comply with the statute as implemented by regulation.
- Follow the issuing of an early guidance with a public rulemaking to ensure input from all stakeholders and to set formal policy for the implementation of the federal parity law.

3. “Six Classes of Clinical Concern” under Medicare Part D:

Medicare’s prescription drug benefit includes special protections ensuring access to all or substantially all of the medications used by medically vulnerable populations. We recommend that the Obama Administration:

- Maintain coverage for all of the six protected drug classes (anti-depressants, anti-psychotics, anti-convulsants, anti-retrovirals, anti-neoplastics and immunosuppressants) under Part D as intended by Section 176 of MIPPA.
- Ensure that Medicare beneficiaries have access to substantially all of the six protected classes currently protected through subregulatory guidance by requiring CMS to codify this policy through regulation.
- CMS should undertake rulemaking to state that beneficiaries should have access to substantially all medications in the six currently protected classes and that the current policy will remain in effect. Since this is a continuation of an existing policy, there should be no significant costs.

4. Health Information Technology:

The economic stimulus package will include \$20 billion in funding for accelerated implementation of a national HIT infrastructure as a cornerstone to the Administration's health reform effort. While there is great potential for HIT to improve the overall quality of care and reduce medical errors, there are also risks, as evidenced by widespread data security breaches, and most recently by a report that software errors in the VA led to medication errors including several that were potentially life threatening. In the short term, we urge the Obama Administration to keep privacy measures in any HIT legislation.

- Any accelerated HIT effort must include strong patient privacy protections such as breach notification, meaningful enforcement measures, and incorporation and improvement of HIPAA rules concerning psychotherapy notes and the “minimum necessary” disclosure requirement.
- Attention must also be paid to the potential costs of acquiring hardware and software, particularly for those physicians who are in solo practice, including of course a significant number of psychiatrists.

#### 5. Addressing the Two-Year Waiting Period for SSDI recipients for Medicare:

Current law requires an estimated 1.5 million Americans with disabilities to wait for two years before qualifying for Medicare coverage. Up to 40 percent of these individuals do not presently have health insurance coverage, and a substantial percentage of these individuals have a primary or secondary diagnosis of severe and persistent mental illness, often accompanied by a co-occurring substance use disorder.

- The two-year waiting period puts at risk treatment and care for people with severe disabilities. With a gap in coverage, individuals forgo medical treatments, stop medications, and otherwise compromise their health.
- President-elect Obama's health plan proposes to phase out or eliminate the 2-year wait. We support this proposal and urge the Administration to make this an early priority in any health care reform plan.

#### 6. Medicare's Medical Home Demonstration:

Current CMS/HHS guidelines for the Medicare medical home demonstration program specifically exclude psychiatrists. We request that the Obama Administration promptly reconsider the exclusion.

- There is no foundation in the federal statute for such a categorical exclusion. If anything, effective medical home programs should facilitate close collaboration between primary care and psychiatry.
- CMS should consider establishing a "psychiatric medical home" demonstration given the growing need for appropriate clinical care for those persons with a primary diagnosis of mental illness.

7. Research Funding:

Federal funding of research yields critical improvement in the early diagnosis and treatment of mental illness.

- At a minimum, federal research funding should keep up with biomedical inflation in every appropriations cycle (approximately 4.5% in FY09). Merely level-funding NIH results net loss of real dollars.
- NIMH and NIDA need more funding for the development of medications for treatment-resistant depression and medications to combat addiction respectively. Research will also help better inform care of service personnel and veterans requiring state-of-the-art treatment for Post-Traumatic Stress Disorder and Traumatic Brain Injury.

Thank you for this opportunity to present our preliminary comments. We look forward to working with the President-elect and his Administration in the coming years. For additional information, please contact:

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