

## NEWS RELEASE

## AMERICAN PSYCHIATRIC ASSOCIATION

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## **Hospitals' Psychiatric Services Are Threatened Despite Critical Functions, *AJP* Article Asserts**

**Arlington, Va.** - Inadequate insurance payments for services provided by psychiatric units in general hospitals have led to widespread closing, downsizing, or off-campus transfer of inpatient psychiatric units. Yet, these units are essential for treatment of coexisting medical and psychiatric conditions, appropriate care of psychiatric disorders in the emergency room, and education of medical trainees.

These arguments are made in the commentary, "The Future of Psychiatric Services in General Hospitals" by Benjamin Liptzin, M.D., and colleagues at Baystate Medical Center, Tufts University School of Medicine and Harvard Medical School. The commentary appears in the October 2007 issue of *The American Journal of Psychiatry* (*AJP*), the official journal of the American Psychiatric Association (APA).

Since the 1990s, the number of psychiatric beds in general hospitals and the number of general hospitals providing psychiatric services have both fallen by about 25 percent. The authors cite one case in Massachusetts: "For example, after eliminating two-thirds of its psychiatric inpatient capacity, only an outcry from the community and the nonpsychiatric medical staff prevented the renowned Beth Israel Deaconess Medical Center in Boston from closing its sole remaining psychiatric unit."

Many private insurers and separate, for-profit, mental health management companies ("carve-outs") have negotiated reimbursement rates that are below the costs for inpatient care. Medicare data show that the costs for psychiatric patients in general hospitals are higher than those in freestanding hospitals, because of illness severity, and concurrent nonpsychiatric disease. Another factor is the overhead shared by psychiatric units in full-service hospitals.

Expenses are also greater in teaching hospitals, but Liptzin and colleagues point out the value of psychiatric training in general hospitals. It teaches both psychiatric and other medical trainees to care for the many patients with coexisting general medical and psychiatric conditions. This is particularly important education for nonpsychiatric physicians, since most patients with psychiatric problems are seen in primary care.

In addition to better reimbursement by private insurers, the authors' list of proposals includes new revenue sources for departments of psychiatry as well as partnerships

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between general hospitals and freestanding hospitals and community services to ensure efficient psychiatric care.

*AJP* editor-in-chief Robert Freedman, M.D., stated, “The authors alert us that the partnership between general hospitals and psychiatry that has supported both patient care and psychiatric training is now under severe financial strain. A new functional structure to fund these two activities is urgently needed.”

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**About the *American Journal of Psychiatry*:**

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