



AMERICAN
PSYCHOLOGICAL
ASSOCIATION
PRACTICE ORGANIZATION

July 26, 2007

The Honorable John D. Dingell
Chairman
Committee on Energy & Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles B. Rangel
Chairman
Committee on Ways & Means
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Dingell and Chairman Rangel:

I am writing on behalf of the American Psychological Association to express our strong support for the Children's Health and Medicare Protection (CHAMP) Act, H.R. 3162. This bold proposal combines a welcome expansion of the State Children's Health Insurance Program (SCHIP) with improvements to Medicare. Thus it promises to address the health of a significant number of individuals including children, older adults, ethnic minorities, and people with disabilities.

We are particularly pleased that CHAMP will restore to psychologists and social workers Medicare reimbursement that was cut in 2007. With the effect of increasing payments for psychotherapy codes by \$30 million a year for five years, Section 610 would help maintain the viability of the Medicare outpatient mental health benefit. When the Centers for Medicare and Medicaid Services (CMS) implemented the "5-year review" on January 1, 2007, psychological services suffered a 9% cut in reimbursement. With such a severe reduction in payment, Medicare beneficiaries across the country could have lost access to needed mental health and testing services, as psychologists and social workers would have had no choice but to reduce their Medicare caseloads or leave the program all together.

CMS's 5-year review rule is well-intended but could have devastating consequences for Medicare mental health services. Under this rule reimbursement for Medicare physician evaluation and management services was increased to more appropriate rates. However, in order to increase these reimbursements and retain budget neutrality associated with this rulemaking as required by statute, CMS reduced other provider reimbursements across the board through a reduction in work relative value units. Since psychologists' and social workers' services are more work intensive relative to those of other Medicare providers, they experienced the most severe reduction in reimbursement. The increase in the psychotherapy payments in your legislation will go a long way toward mitigating this damage.

Medicare beneficiaries already confront significant barriers to accessing psychotherapy and other mental health services. Most problematic among these is the discriminatory 50% coinsurance associated with psychotherapy services, compared with the 20% required for almost all other Medicare services.

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Russ Newman, Ph.D., J.D.
Executive Director

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We welcome Section 203 of CHAMP that phases out the Medicare 50% coinsurance requirement, achieving nondiscriminatory coverage of 80-20% in six years. We have worked for years to ask Congress to provide parity in Medicare, and your bill takes solid steps in that direction. Mental health parity in SCHIP has also been a major goal for us. Section 121 removes the provision of law that has allowed state plans to provide mental health services at only 75% of the actuarial value of mental health in the benchmark plan.

We strongly support language in Section 301 replacing the impending 10% cut in the physician fee schedule under the Sustainable Growth Rate with a half percentage increase for the next two years. Protecting future payments to healthcare professionals will help ensure that Medicare beneficiaries continue to have access to many critical services.

We applaud your leadership in providing legislation that represents a major step toward addressing health and health care disparities for racial and ethnic minorities and individuals living with HIV/AIDS. APA strongly supports Section 132 which restores the option for states to provide health coverage to legal immigrants. This removes a significant barrier to coverage for low-income children, particularly considering that most immigrant families are employed in jobs that do not provide health insurance.

We also appreciate the addition of Section 221 which would include costs incurred by AIDS drug assistance programs and the Indian Health Services in the calculation of true out-of-pocket costs. In addition, APA is grateful for the many provisions in the CHAMP Act affecting people with disabilities. For instance, Section 131 would provide optional coverage for older children (up to age 25) under Medicaid and SCHIP. Section 803 would authorize the provision of adult day health service programs for people with intellectual and other developmental disabilities under the Medicaid rehab option. Section 814 would establish a one-year moratorium from the date of enactment that prohibits the Secretary from taking any action to restrict coverage or payment for rehabilitation services, or school-based administration, transportation, or medical services, if such restrictions are more restrictive in any aspect than those applied to such coverage or payment as of July 1, 2007. Securing this moratorium has been a high priority for the disability and mental health communities.

We deeply appreciate your continuous commitment to the mental health needs of older adults and individuals with disabilities in the Medicare program and to the needs of all children. We look forward to working with you to ensure the passage of this vital legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Russ Newman", with a long horizontal flourish extending to the right.

Russ Newman, Ph.D., J.D.
Executive Director for Professional Practice