

Washington Update

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NASMHPD

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Washington Update

- NASMHPD's Priorities for Health Reform
 - Key Mental Health and Substance Use Provisions in House and Senate bills
 - Outlook/Timing
- Health Care Reform Implementation
 - Role of the States
 - Challenges

Washington Update

- Other NASMHPD Priorities
 - Parity Implementation
 - MH Block Grant Funding/Other Appropriations
 - Housing
 - SAMHSA Reauthorization
 - Medicaid Regulatory Issues
 - Health Information Technology

Health Care Reform – Status

- House passed the Affordable Health Care for America Act, H.R. 3962 on November 7 by a vote of 220-215 (39 Dems voted against it, 1 Republican voted for it)
- Senate Leadership Bill (Patient Protection and Affordable Care Act, H.R. 3590) released on November 18 merging HELP and Finance Committee bills
 - Procedural vote (60-39) taken on Saturday night November 21 clearing way for debate that began November 30

Health Care Reform – Overview

- Coverage (31-36 million additional)
 - Senate 94% of all legal residents by 2019
 - House 96% of all legal residents by 2019
- Cost
 - Senate \$849 billion over 10 years
 - House \$1.052 trillion over 10 years
- Deficit Reduction
 - Senate \$130 billion over 10 years
 - House \$138 billion over 10 years

Health Care Reform – Parity

- Application of the Wellstone/Domenici parity law
 - Bills require plans in exchange (which includes the public plan) to comply with Wellstone/Domenici
 - Unclear whether the small business exemption is maintained in the Senate bill
 - Because parity is not mandated under Wellstone/ Domenici, the parity requirement for plans in the exchange is a quantum leap forward.

Health Care Reform – Key MH/SUD Provisions

- Requires inclusion of MH/SUD, rehabilitation and habilitation services as mandatory in the minimum benefits packages offered in the exchange
- Prohibits discrimination against individuals based on health status (Senate bill is explicit about including MH/SUD)
- Prohibits pre-existing conditions exclusions

Health Care Reform – Medicaid

- Key provisions related to Medicaid
 - Expansion to include childless adults (up to 150% of FPL in the House; 133% of FPL in the Senate)
 - MOE Requirements for States
 - Cost sharing between feds and states for newly eligible beneficiaries
 - House: 100% federal in 2013 and 2014 and 91% in 2015 and beyond
 - Senate: 100% federal 2014-2016; phase down from 2017-2019

Health Care Reform – Medicaid

- Key Provisions related to Medicaid (cont’)
 - Senate leadership bill allows “Benchmark” and “Benchmark equivalent” plans for newly eligible populations but mental health and addiction services must be offered in plans and offered at parity. House bill is stronger.
 - House-passed bill only extends FMAP for 6 months (thru June 2011)
 - Senate bill includes a new state option for beneficiaries with chronic conditions (including SMI) into a health home

Health Care Reform – Medicaid

- Medicaid Emergency Psychiatric Demonstration Project
 - Establishes three-year, \$75 million demo project to allow states to cover patients 21-65 in freestanding psychiatric hospitals and receive matching payments under Medicaid
 - House passed bill includes both private and public facilities; Senate bill applies only to non-governmental institutions.
 - NASMHPD joined forces with NACo, AFSCME, others to include all IMDs

Health Care Reform – DSH

- Disproportionate Share Hospital (DSH) Payments
 - Rationale for cuts: As coverage increases, there are fewer medically indigent and less need for subsidized care (IMD exclusion impact)
 - House cuts significantly less than Senate (\$20 billion vs. \$43 billion)
 - NASMHPD supports lower House number and need to address exceptions

Health Care Reform - FQBHCs

- House bill sets forth criteria for the certification of FQBHCs and recognizes role of such centers as safety net providers. No similar provision in the Senate bill.
- Entities would receive reimbursement for costs of providing services while meeting national standards
- NASMHPD concerns: strong role for the state, implications for the integration of primary care and behavioral health

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Health Care Reform – Timing and Outlook

- Legislative progress: House passed bill, Senate debate underway-vote by 12/25?
- Conference committee to reconcile House and Senate bills (informal staff conference would begin immediately)
- Congress convenes for 2nd session of 111th Congress on January 12
- President's State of the Union Address in late January or early February

Health Care Reform – Implementation

- Delivery system reform
 - New models to integrate overall health and MH and SUD (e.g., medical homes)
 - Care of complex, high-cost populations
 - Digitize health care information
 - Incentives to promote quality
- Capacity issues
 - How to meet increased demand for services
 - Strained state budgets

Health Care Reform – Implementation

- A united mental health community has focused both on health reform and the post-health reform period
 - Series of Campaign for Mental Health briefings this fall addressed relevant issues:
 - Health Reform and Beyond: How Mental Health Fits
 - The Integration of Mental Health and Health: Evidence from the Medical Home
 - Facing Mental Illness: Policy Lessons from *Minds on the Edge*

NASMHPD Priorities – Parity

- Parity Implementation

- Law goes into effect
January 1, 2010



- Issues raised in Request for Information (RFI) due May 28/over 400 comments received
- Dueling legal briefs
- Proposed reg expected early 2010 from Department of Labor, HHS and Treasury

NASMHPD Priorities - Budget

- FY 2011 Budget (first developed by the Obama Administration) will be released February 1, 2010

"A budget is more than simply numbers on a page. It is a measure of how well we are living up to our obligations to ourselves and one another."

– *President Barack Obama*

NASMHPD Priorities – Appropriations

- **Status**

- House passed Labor/HHS bill on 7/24
- Senate Appropriations Committee cleared Labor/HHS bill on 7/30
- Continuing resolution passed to maintain funding until December 18
- Mini-omnibus that includes 7 remaining appropriations bill plus odds and ends likely to be among last actions taken before adjournment
- Other NASMHPD priorities: MH block grant, MIOTCRA, housing

NASMHPD Priorities – Appropriations

- MH Block Grant FY '10
 - Level funding at \$420.8 million in House-passed version and pending Senate bill
 - Substance Abuse Block Grant received a \$40 million increase in the Senate Appropriations Committee
 - Unprecedented number of US Senators (21) signed letter of support for a \$100 million increase
 - President Obama's Budget to focus on long-term deficit reduction

Appropriations – NASMHPD Priorities

- MH Block Grant FY '11
 - Major initiative led by NASMHPD to increase block grant by \$100 million
 - NASMHPD organized meeting with the Office of Management and Budget that included NAMI, Mental Health America, Bazelon, the National Council
 - Major activities in 2010
 - Hill briefing to be held in January
 - Joint visits with appropriators

Appropriations – Other Priorities

- Mentally Ill Offender Treatment and Crime Reduction Act (MIOTCRA)
 - Funds state and local governments to establish a range of programs (e.g., mental health courts, cross-training of personnel, alternative prosecution)
 - Reauthorized in 2008: expanded training for law enforcement, receiving centers as alternative to jail booking; and public safety programs on campuses.
 - FY '09 funding \$10 million: House approved \$12 million, Senate approved level funding
 - Study in June *Psychiatric Services* reported 15% of men and 31% of women in jails have a mental illness

Appropriations – Other Priorities

FY 2010 Appropriations HUD (in millions)

	FY 2008	FY 2009	FY 2010 Admin Req.	FY 2010 House	FY 2010 Senate
Section 8	16,391	16,817	17,836	18,242	18,100
McKinney-Vento Homeless Assistance Grants	1,586	1,677	1,794	1,850	1,875
Section 811 (Housing for Persons with Disabilities)	237	250	250	350	265

NASMHPD Priorities – Housing

- NASMHPD Housing Task Force
 - Co-Chairs: Joan Erney, PA Commissioner and Barbara Geller, Director of Statewide Services, Connecticut Depart. Of MH and Addiction Services
 - 33 states participating (state housing directors for SMHAs)
 - Federal issues: interagency cooperation (SAMHSA, CMS, HUD, VA); housing funding (e.g., Section 8, Section 811, National Housing Trust Fund)

NASMHPD Priorities – SAMHSA Reauthorization

- Failed in last Congress over “charitable choice” controversy, barrier still exists
- Committees of jurisdiction now focused on health care reform
- HELP Committee may take up legislation in the spring
- Opportunity to address issues post health care reform with new SAMHSA leadership

NASMHPD Priorities - Regulatory

- Rehab reg rescinded on November 23
- 3 Medicaid Regs rescinded effective June 30 (school based and transportation, parts of targeted case management, and outpatient hospital and clinic services upper payment limit).
- Survey and audit activity indicates some practices continue/more collaboration between states and CMS needed on quality improvement

NASMHPD Priorities – HIT

- Medicare and Medicaid incentive payments in ARRA (HITECH) provides payments to providers but excludes CMHCs
- Limited funding to states (\$2B)
 - Section 3013 Planning and implementation grants to expand HIT among organizations in states (\$564 million)
- SAMHSA exploring how BH providers should standardize content and records
- NASMHPD working with NGA to identify how states can include BH in HIT initiatives

Key Personnel – Obama Administration

- HHS Secretary Kathleen Sebelius
- SAMHSA Administrator Pam Hyde
- Assistant Secretary for Planning and Evaluation (ASPE), Sherry Glied & Richard Frank, Deputy
- CMS Administrator (Vacant)
 - Cindy Mann, Director of Medicaid and State Operations
 - Barbara Coulter Edwards, Director of Disabled and Elderly Programs
- Other Key Departments/offices (HUD, VA, Labor, ONDCP)

Washington Update

Thank you!

Questions/Comments

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