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BOB DOLE
KANSAS

United States Senate

OFFICE OF THE REPUBLICAN LEADER
WASHINGTON, DC 20510-7020

March 16, 1987

M E M O R A N D U M

TO: SENATOR DOLE

FROM: SHEILA BURKE

SUBJECT: AMERICAN PSYCHIATRIC ASSOCIATION

As you are unable to attend their banquet, you are scheduled to stop by the APA reception this evening.

There will be about 100 in attendance made up of the APA leadership and members of the Legislative Council.

They are expecting you to speak for 10 minutes or so and have asked that you touch on the prospects for a catastrophic health insurance bill and changes in medicare to increase access to mental health services.

Catastrophic

Finance, Labor and Human Resources, and Ways and Means, have all begun hearings.

Attention on both sides continues to focus on the elderly and acute care services. There has been no mention of mental health services in the context of these deliberations.

There is currently very little disagreement over the benefits to be provided. The suggestions we have made for additions to the Administration's bill involve improvements in the home health benefit and examination of expenditures for drugs. Similar suggestions are likely to be made by Senator Bentsen. The more likely focus of the debate will be on the method of financing.

There continues to be interest in an income tested premium but no one has really determined how to design one. Congressman Stark has come the closest by proposing that we add the actuarial value of medicare benefits to the adjusted gross income of any beneficiary who pays income tax.

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Catastrophic coverage for the elderly is doable this year. Less certain are the hopes for coverage for those under 65. The establishment of State pools and increasing mandates on employers to cover a broader spectrum of employees are both ideas being discussed in the context of those under 65. Long-term care has also been set aside for the time being.

Mental Health Benefits

Under medicare there is an annual limit of $250 on expenditures for out-patient benefits; a level that has not changed since the enactment of the program in 1965. There is also a lifetime limit placed on the number of inpatient psychiatric hospital days. Removal or adjustment of these limits is the top priority for the Association.

Senator Matsunaga has introduced a bill which simply removes all limitations on out-patient services. Passage does not appear very likely at this time.

Two years ago we approached the mental health community and asked them to assist us in designing a bill which would strike a better balance between inpatient services and out-patient services. We approached them again when we began work on the catastrophic bill. I would continue to push this idea when you talk with them.

Issues

There was and continues to be a real fear about opening up the mental health benefit and providing for no limits on the type of service or its duration. The difficulty has arisen largely because of our lack of ability to clearly define what constitutes appropriate care, or who the most logical provider should be. Stories of people being in psychoanalysis for years has fueled this controversy along with the standard arguments between psychiatrists and psychologists, as to who should be in charge.

Tremendous strides have been made in recent years in identifying and treating a wide variety of mental illnesses; most notable for our purposes is the identification of alzheimers. Changes are appropriate in the way we pay for these services if we can get a handle on how to do it.

I would urge the APA to come back to the table and work with us in designing a controllable, defensible benefit. They are going to have to settle for an incremental approach if they hope to succeed. None of us can afford to make a costly mistake at a time when concerns about the long-term solvency of the medicare trust fund is again being discussed.