



909 12TH STREET, SUITE 201, SACRAMENTO, CA 95814, 916-444-1985

**Senate Select Committee on Mental Health
Hearing on Measuring Parity Compliance in California
June 27, 2013**

**Written Testimony Submitted by
Jerry Jeffe
Public Policy Director
California Chronic Care Coalition**

The California Chronic Care Coalition is an alliance of more than thirty leading statewide consumer health organizations and provider groups that promote the collaborative work of policy makers, industry leaders, providers, and consumers to improve the health of Californians with chronic conditions.

We envision a system of care that is accessible, affordable, and of a high-quality that emphasizes prevention, coordinated care, and the patient's wellness and longevity. Additional features of the Coalition include the early diagnosis of chronic conditions, access to effective and appropriate treatment, and improved chronic care management.

The Coalition, which has been in existence for seven years, includes a number of mental health organizations as members.

To no one's surprise, we are strong supporters of state and federal mental health parity laws and the Affordable Care Act, which includes mental health as one of the ten Essential Health Benefits.

We know there is a lack of clarity in many provisions of the federal parity law passed in 2008, the absence of final regulations – which HHS Secretary Sebelius says will be released sometime in 2013, and several situations where mental health parity laws do not apply. I will leave it up

to the other speakers to address these topics since my allotted time to speak before the Select Committee is limited.

I do want to mention, however, that there is an excellent brochure available at no charge at www.californiamentalhealth.org entitled, *Mental Health Parity: A Consumer's Guide to California & Federal Law.* It was produced by a consortium of mental health organizations. I was one of the co-authors along with some of the other witnesses appearing before you today.

Instead, I will focus my remarks in two areas. First, I will discuss the relationship between mental illness and chronic conditions and why mental health parity is so important. Second, I will discuss the need to change laws pertaining to Medi-Cal that are hindering the full implementation of mental health parity.

According to the Centers for Disease Control and Prevention – CDC for short – chronic diseases are non-communicable illnesses that are prolonged in duration, do not resolve spontaneously, and are rarely cured completely. They cause seven out ten deaths each year and are among the most preventable of all health problems.

Almost half of all Americans live with a chronic disease. Approximately one in four of American adults suffer from a mental health disorder each year. Chronic disease affects more than 16 million Californians.

Arthritis, as a chronic condition, and depression, as a mental health illness, are both leading causes of disability. Many other associations exist between mental illness and cardiovascular disease, diabetes, obesity, asthma, and arthritis to name a few. In fact, almost half of all people with chronic conditions have multiple chronic conditions. We often use the term “co-morbidities” to refer to people who have multiple chronic diseases.

Depression is found to co-occur in 17 percent of cardiovascular cases, 27 percent of diabetes patients, and more than 40 percent of individuals with cancer. The risk for tobacco use is about twice as high for those with mental illness compared to the general population. And we have all heard of the statistic that says many people with severe mental illness have a life expectancy of 25 years less than people their age.

75 percent of the total national health expenditure is related to the cost of treatment for those individuals with chronic diseases.

Because of social stigma, discrimination, and/or lack of health insurance, seven out of ten people with mental illnesses have never sought help from a medical or mental health specialist for their symptoms.

What are these statistics telling us? Individuals with mental illnesses have co-morbidities that are either being left untreated or are being treated sporadically. The reasons are numerous. Among them are individuals cannot obtain health insurance due to pre-existing conditions, the

high cost of individual health care policies, and limits on coverage such as the number of visits each year are capped.

Mental health parity and state and federal health care reform laws are intended to eliminate many of these barriers for those who already have health insurance or will purchase it through Covered California later this year. But many people will still lack access such as groups specifically excluded in the Affordable Care Act, grandfathered health care policies, and communities in California that lack an adequate number of health care facilities and personnel.

Since so many people with chronic conditions will be getting health care coverage for the first time or who have existing coverage but have never been educated about mental health parity laws, it would be great to see a well-funded campaign to educate the public about mental health parity. It could be done by state agencies or by some kind of public/private partnership.

Second, federal health care reform has helped speed along a trend that integrates physical and mental health practices or co-locates those services. Many are located at community clinics that primarily see Medi-Cal patients or those people who are uninsured.

A typical scenario is for a patient to be diagnosed first by a primary physician – primary physicians treat 50 percent of all patients for mental illness in this country – for a physical illness but also comes to the realization that the patient also has a mental illness.

If you have a facility that has physical and mental health together, the patient can be sent over to mental health immediately. If they are separate, the primary physician would provide a referral to a mental health professional. There is no guarantee the patient will ever keep that appointment. But if you can escort a patient down the hallway to the mental health staff, the patient will be examined the same day as for another physical, or chronic, condition.

This sounds great in theory, but in practice, there is a huge barrier to overcome – the one-visit rule.

According to the committee analysis of a bill that failed passed, AB 1785 (2012), “Under current law, facilities such as (community) clinics are limited to (Medi-Cal) reimbursement for one visit per day unless the second visit is dental-related. This so-called one-visit rule has caused difficulty in integrating behavioral with physical health services at clinics, since clinics are either forced to absorb the cost of a mental health visit or direct a patient to return the next day, which often results in missed appointments and lack of care. The one-visit rule is often cited as the most significant reason that clinics have difficulty increasing access to mental health services.”

Bills such as AB 1785 have either been held under submission in the Legislature or vetoed by Governors in recent years. But in light of federal health care reform, we know the federal government will pay for 100 percent of a Medi-Cal patient for three years in many cases. Moreover, research has shown that treating mental illness will more than pay for itself if

someone has other chronic conditions (e.g., keeping patients out of the emergency department, having a healthier lifestyle, and so on).

You could make a case that this Medi-Cal rule is a violation of mental health parity at least in spirit if not the letter of the law. The state is denying access to mental health services because of a law making it difficult to access services.

If the current Governor is opposed to repealing this archaic law, perhaps he would agree to a demonstration project in a few counties where you can compare the impact of a county that keeps the current law versus one that has repealed, or suspended, its use. You can also check with the National Conference of State Legislatures or other states that no longer have this rule on its impact.

This concludes my written testimony. Thank you for providing the California Chronic Care Coalition and me the opportunity to express our views on mental health parity.

#####