



Medicare, Outpatient Mental Health Services, and Coverage of Licensed Professional Counselors — S. 562 and H. R. 3662

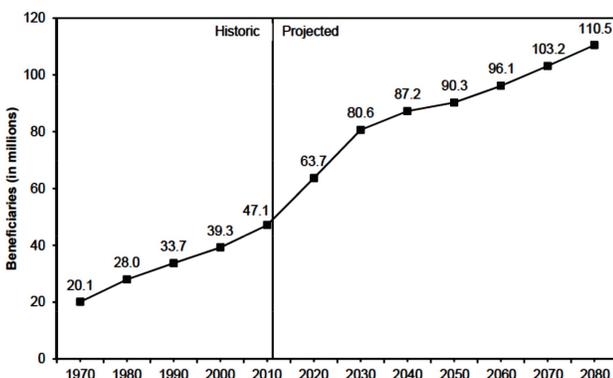
Medicare beneficiaries have serious mental health challenges. The elderly experience mental disorders that are not part of normal aging, including anxiety, severe cognitive impairment, and mood disorders. The rate of suicide is higher among older adults than any other age group, and the suicide rate for persons 85 years and older is the highest of all – twice the overall national rate. Unfortunately, Medicare beneficiaries don’t enjoy the same access to outpatient mental health professionals as do those with private health insurance: Private and public health care programs have long covered licensed professional counselors, recognizing that LPCs (as they are usually known) provide high-quality, cost-effective treatment. There are more than 120,000 LPCs nationwide, licensed for independent practice. Licensed professional counselors are master’s-degreed mental health professionals, meeting education, training, experience, examination, and ethical standards on par with those of providers already covered by Medicare.

Senators Ron Wyden (D-OR) and John Barrasso (R-WY) have introduced S. 562—the “Seniors Mental Health Access Improvement Act of 2013” and Representatives Chris Gibson (R-NY) and Mike Thompson (D-CA) have introduced H.R. 3662, the “Mental Health Access Improvement Act of 2013”—which would establish Medicare coverage of LPCs. Identical legislation has been approved twice in both the House (2007 and 2009) and in the Senate (2003 and 2005), under both Democratic and Republican sponsorship.

Inadequate Access to Care

- For years, reports have indicated that limited access to mental health services is a serious problem in the Medicare program. This problem is rapidly getting worse, as the Baby Boom generation ages into Medicare eligibility at the same time that many mental health professionals are retiring. An estimated 37% of seniors display symptoms of depression in a primary care environment. As stated by the Institute of Medicine in a recent report, “[t]he burden of mental illness and substance use disorder in older adults in the United States borders on a crisis.” The report laments that there is a “conspicuous lack” of national attention to ensuring sufficient numbers of mental health service providers for the rapidly growing elderly population.

Enrollment in Medicare is projected to grow rapidly in the next 20 years. (Source: MedPAC Data Book, June 2012)

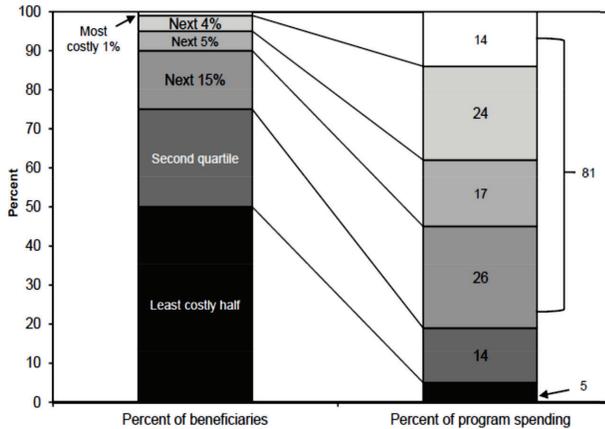


- Roughly 2/3rds of primary care physicians reported in 2004–2005 that they could not get outpatient mental health services for patients—a rate that was at least twice as high as that for other services. Shortages of mental health providers were cited by primary care providers as an important barrier to mental health care access.
- Mental health conditions in older Americans are associated with a wide range of negative effects, including increased functional disability, reduced physical health, increased mortality, higher rates of suicide, and high overall treatment costs. At least 5.6 million to 8 million older adults—or about 14 to 20 percent of the overall elderly population—have one or more mental disorders. Depressive disorders and dementia-related symptoms are the most prevalent diagnoses.

Medicare Costs and Outpatient Mental Health Services

- In 2009 the Congressional Budget Office (CBO) estimated that covering LPCs and MFTs under Medicare could cost \$100 million over five years and \$400 million over ten years. S. 562 and H.R. 3662 would pay LPCs and MFTs only 75% of the psychologist's rate for mental health services, thereby saving money when the lower cost provider is accessed. This legislation would not add a new Medicare mental health benefit, but would instead simply expand the pool of covered providers for medically necessary treatment.

Medicare Fee-For-Service spending is highly concentrated in a small group of beneficiaries (2008 data: Source: MedPAC Data Book.



- It has been estimated that Medicare spends at least \$104 billion each year on beneficiaries who have diabetes. An estimated 12% of patients with diabetes also have a co-occurring diagnosis of depression, and these patients have significantly higher costs: A comparison of treatment costs for Medicare beneficiaries with depression and a comorbid diagnosis of diabetes found that beneficiaries with depression had treatment costs that were 67% higher than those with diabetes alone. Conservatively estimating that Medicare spends only \$10 billion a year on beneficiaries who have both diabetes and depression, reducing costs for this population by only 2% through expanding access to outpatient mental health services through the nation's 120,000 licensed professional mental health counselors would save \$200 million each year, which would more than cover the cost of covering LPCs under Medicare, most recently estimated by CBO at \$100 million over five years.

Comparable Training

Medicare covers mental health services when provided by psychiatrists, psychologists, mental health clinical nurse specialists, and clinical social workers. LPCs and MFTs are not covered, despite the fact that both groups have education, training, and practice rights equivalent to or greater than existing covered providers. Both LPCs and MFTs are licensed for independent practice in all 50 states, and are covered by private sector health plans.

	Licensed Mental Health Counselor	Licensed Clinical Social Worker	Licensed Marriage and Family Therapist
Education	Possesses a master's or doctoral degree in mental health counseling or a related field	Possesses a master's or doctoral degree in social work	Possesses a master's or doctoral degree which qualifies for licensure as a marriage and family therapist pursuant to State law
Experience	Two years of post-graduate supervised mental health counselor practice	Two years of post-graduate supervised clinical social work experience	Two years of post-graduate clinical supervised experience in marriage and family therapy
Licensure Requirement	Licensed or certified as a mental health counselor within the State of practice	Licensed or certified to practice as a clinical social worker by the State in which the services are performed	Licensed or certified as a marriage and family therapist within the State of practice
# of State-licensed providers	~120,000	~200,000	~55,000
Covered by Medicare?	No	Yes	No

Senators should cosponsor S. 562, the "Seniors Mental Health Access Improvement Act," and House members should co-sponsor H.R. 3662, the "Mental Health Access Improvement Act of 2013". Improving access to outpatient mental health treatment will help beneficiaries, save lives, and save Medicare money.