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April 3, 2019

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The Honorable Frank Pallone
Chairman
E&C Committee
2125 RHOB
Washington, DC 20515

The Honorable Greg Walden
Ranking Member
E&C Committee
2322 RHOB
Washington DC 20515

Dear Chairman Pallone and Ranking Member Walden:

On behalf of the American Psychiatric Association (APA), the national medical specialty association representing more than 38,500 psychiatric physicians, we write in support of several legislative proposals before the House Energy and Commerce Committee (E&C) to strengthen the Affordable Care Act (ACA). The APA appreciates your leadership on this topic, and as physicians who treat patients with mental health and substance use disorders, we support your continued efforts to provide access and coverage to high-quality health care for these conditions. We offer the following comments for your consideration.

H.R. 1010, "Short-Term, Limited Duration Insurance"

The APA supports H.R. 1010, which invalidates the administration's rule to expand the availability of short-term limited duration (STLD) plans. While the ACA envisioned these plans as a means to fill temporary gaps in coverage, they were never intended to provide long-term coverage, because they are not required to comply with the ACA's core consumer protections, including nondiscrimination based on age, gender, or preexisting conditions, and mandatory coverage of specific "essential health benefits". The administration's rule expanding these plans serves to circumvent the ACA requirements, enabling the creation of a parallel individual insurance market through which inadequate insurance plans can be offered. This will reduce access to necessary coverage for some patients while driving up the cost of coverage for sicker patients.

The administration's rule allows coverage through these plans for up to 364 days and allow consumers to renew their enrollment in these plans for three years. Many patients are unaware about their covered benefits or coverage limitations, and some are misled into purchasing them on a false representation that they provide ACA-compliant coverage. By placing these plans on near-equal footing with ACA-compliant plans, the rule undermines the purpose of the ACA to extend access to quality, affordable coverage, while significantly disrupting insurance markets in states

across the country and threatening to bring back harmful insurance practices specifically prohibited by the ACA.

The potential harms caused by the rule are very real. According to the Kaiser Family Foundation, prior to the ACA's enactment, 45% of non-group health plans did not cover substance use disorder treatment and 38% did not cover mental health services. With approximately 44 million American adults experiencing a mental illness and over 19 million American adults with a substance use disorder, enabling STLD plans to disregard the ACA's core consumer protections for a prolonged period of time will have a widespread impact; in addition to its high personal toll for patients, a lack of guaranteed coverage for mental health and substance use disorder services will cause patients to forego treatment altogether, leading to higher rates of inpatient hospitalizations, overdoses, and suicides, as well as other downstream costs to various social service systems.

Due to these concerns, last September APA joined six other healthcare organizations in a federal lawsuit to invalidate this rule. Amidst the nation's ongoing opioid crisis and suicide epidemic, we urge you to pass H.R. 1010 to ensure that millions of Americans do not opt into these plans and therefore do not lose access to the year-round full-service coverage currently protected under the ACA.

H.R. 986, the "Protecting Americans with Preexisting Conditions Act of 2019"

APA also supports H.R. 986, which directs the Trump Administration to rescind its guidance to states concerning the ACA's "state innovation waivers" ("Section 1332 waivers"). APA opposed a similar proposal contained in earlier efforts to repeal and replace the ACA, and likewise opposes the administration's rule on these waivers. Section 1332 was created to provide states the flexibility to experiment with strategies to advance the ACA's goals of increasing health coverage and/or lowering costs without jeopardizing consumer protections and coverage required by the law.

The expanded waiver authority released by the administration lowers the standard by which these waivers are approved, including the coverage standards. While the impact of this waiver authority would vary amongst the states, coverage for mental health or substance use disorder services should not be denied simply because they live in a state that obtained a waiver. This legislation represents a vital step to preserving these protections for all patients, regardless of geography.

H.R. 1425, the "State Health Care Premium Reduction Act"

We support H.R. 1425 and reinsurance programs, which are an effective tool to help offset the cost of insuring high-risk individuals and lowering premium prices. While the temporary reinsurance pool created by the ACA ended in 2016, many states have taken the lead on developing reinsurance programs that fulfill the ACA's objectives through Section 1332 waivers and other authorities. For example, Alaska's reinsurance program successfully limited premium hikes to 7%, as opposed to a projected 42% increase had the state not intervened. This bill would create a national fund that would enable states to operate similar reinsurance or out-of-pocket assistance programs, while ensuring that these funds go towards enrollment in plans that must comply with the ACA's consumer protections. We also appreciate that the bill creates a "backstop" for allocation of funding in states that did not proactively apply for funding, so

the citizens of these states can enjoy the benefits of this bill despite inaction from their state's officials. We support this legislation and urge its passage in the House.

H.R. 987, the Marketing and Outreach Restoration to Empower (MORE) Health Education Act of 2019

We support H.R. 987 to provide resources to educate consumers and to increase enrollment within the ACA marketplace. Unfortunately, millions of Americans remain unaware of many of the ACA's benefits—including premium tax credits, community-based outreach programs and other assistance that can help them afford and enroll in comprehensive health insurance coverage. According to a 2016 Commonwealth Fund report, 38% of survey participants were unaware of the Healthcare.gov website or their state's health insurance exchange/marketplace, and that those receiving personal assistance from a navigator, broker or other enrollment professional were much more likely to enroll in coverage than those without assistance. However, in recent years, marketplace enrollment declined due in part to reduced funding for open enrollment advertising and other public awareness campaigns. This bill seeks to restore funding for these programs to heighten public awareness of the enrollment process and resources.

Access to Affordable Prescription Drugs

We support the committee's goals to enhance price transparency and lower out-of-pocket costs of the drugs. As you move forward with these efforts, we urge you to address the increased use of utilization management protocols and other administrative burdens to control drug costs. These tools increase provider burden while reducing patient access to critical, life-saving mental health and substance use disorder medications. Delaying, limiting, or denying vulnerable patients access to these medications will diminish patient outcomes and increase costs elsewhere in the health care system.

The progress achieved by the ACA to ensure access to quality, affordable health coverage for all Americans must be protected. Thank you for your leadership in safeguarding the ACA and ensuring access to lifesaving coverage and treatment. If you have any questions, please contact Mike Troubh at mtroubh@psych.org / 202.559.3571.

Sincerely,

A handwritten signature in black ink that reads "Saul Levin" with "MD, MPA" written in smaller letters to the right. There is a horizontal line under the name "Levin".

Saul Levin, MD, MPA, FRCP-E
CEO and Medical Director
American Psychiatric Association