



June 18, 2002

The Honorable Nancy Johnson
Chair, Subcommittee on Health
Committee on Ways & Means
U.S. House of Representatives
1136 Longworth Office Building
Washington, DC 20515

Dear Representative Johnson:

On behalf of the 210,000 members and 1,200 affiliates of the National Alliance for the Mentally Ill (NAMI), I am writing to voice support for the prescription drug coverage provisions in the Medicare Modernization and Prescription Drug Act of 2002. As the largest national organization representing individuals with severe mental illnesses and their families, NAMI would like to thank you and your colleagues on the Ways & Means Committee for bringing this important legislation forward. This legislation offers tremendous potential for assisting Medicare beneficiaries with severe mental illnesses who do not currently have access to outpatient prescription coverage.

As you know, the past decade has seen tremendous advances in treatment for severe mental illnesses such as schizophrenia, bipolar disorder and major depression. This is especially the case with respect to new medications such as atypical anti-psychotic drugs for schizophrenia and selective serotonin reuptake inhibitors (SSRIs) for bipolar disorder and major depression. Unfortunately, the lack of outpatient prescription coverage within the Medicare program has left beneficiaries without access to the coverage for the treatment they need.

NAMI is pleased that you, Chairman Thomas and Speaker Hastert have made legislation adding an outpatient drug benefit to Medicare a top priority in 2002. As part of NAMI's advocacy on this critically important issue, we have set forward a set of key objectives that we believe must be a part of any legislation Congress acts on this year. On each of these criteria, the Medicare Modernization and Prescription Drug Act of 2002 meets the pressing needs of Medicare beneficiaries living with severe mental illnesses.

- Eligibility for non-elderly disabled beneficiaries on the same terms and conditions as senior citizens – NAMI is pleased that the Ways & Means Committee bill extends drug coverage to all non-elderly Medicare beneficiaries on SSDI, and requires plans offering prescription coverage to do so on a non-discriminatory basis during specified open enrollment periods,
- Affordable premiums, deductibles and cost sharing requirements – NAMI is pleased that your bill specifies uniform, community-rated premiums for all beneficiaries and

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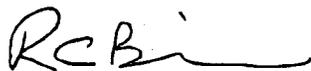
- allows those below 150% of poverty to participate at no cost (with subsidized premiums for those between 150% and 175% of poverty),
- Adequate coverage for catastrophic drug expenses – NAMI is extremely pleased that the Ways & Means Committee bill includes a “stop loss” provision that will protect beneficiaries whose costs exceed \$4,500 per year,
 - Prohibition on the of overly restrictive formularies – NAMI is strongly supportive of provisions in your bill designed to prevent use of overly restrictive formularies that limit access to the newest and most effective psychiatric medications (including barring plans from limiting doctors and enrollees to a single medication within a therapeutic class). NAMI is also pleased that your bill requires a process for beneficiaries to access coverage for medically necessary non-formulary medications in cases where a physician determines that a formulary medication is not as effective.

As you know, 5 million Medicare beneficiaries are people with disabilities under age 65 (13% of the 39 million Americans on Medicare). It is important to note that 30% of these 5 million Medicare beneficiaries are non-elderly people with disabilities have incomes below 100% of the federal poverty level and that 63% are below 200% of poverty. Further, it is estimated that a quarter of these non-elderly disabled Medicare beneficiaries have a severe mental illness. NAMI feels strongly that this legislation is critically important to their ability to access adequate coverage for their treatment needs. While no single Medicare prescription drug proposal meets the unique needs of each and every beneficiary with a severe mental illness, the Ways & Means Committee bill addresses many of the key concerns that NAMI believes must be a part of any legislation Congress acts on this year.

Finally, as Congress moves forward to consider long-term systemic reform of the Medicare program, NAMI would look forward to the opportunity to work with you and your colleagues on the Ways & Means Committee to address the outdated and discriminatory outpatient co-payment requirement that applies only to mental illness treatment. In particular, NAMI is anxious to work with you to address the current discriminatory 50% co-payment that applies only outpatient psychiatric treatment. NAMI feels strongly that this issue must be addressed as part of any legislation to address the long-term Medicare solvency.

NAMI's consumer and family membership would like to thank you and your colleagues for moving this legislation forward. NAMI looks forward to working with all House members – on both sides of the aisle – and the Bush Administration to ensure that Medicare prescription drug legislation is enacted in 2002.

Sincerely,



Richard C. Birkel, Ph.D.
Executive Director