



November 17, 2003

The Honorable Dennis Hastert
Speaker
U.S. House of Representatives
H-232 Capitol
Washington, DC 20515

Dear Mr. Speaker:

On behalf of the 210,000 members and 1,200 affiliates of the National Alliance for the Mentally Ill (NAMI), I am writing to express support for the recently completed conference agreement on HR 1 – legislation adding a prescription drug benefit to the Medicare program. As the nation's largest organization representing people with severe mental illnesses and their families, NAMI supports this bipartisan effort to make long overdue improvements in the Medicare program.

In supporting the conference agreement on HR 1, NAMI recognizes that this legislation does not address all of the problems confronting Medicare. The new drug benefit will contain significant gaps for Medicare beneficiaries living with severe mental illness. For example, the legislation contains gaps in coverage for beneficiaries with costs between \$2,200 and \$3,600 in prescription costs. In addition, NAMI is concerned that the new benefit will be administered by private plans that will be allowed to rely on Pharmacy Benefit Managers (PBMs) able to utilize restrictive formularies to limit access to the full range of treatments. The conference report also leaves in place a basic Medicare benefit that discriminates against mental illness treatment through the 50% co-payment requirement for outpatient mental health services and a 190-day lifetime limit on inpatient psychiatric treatment.

NAMI is pleased that the conference agreement deletes a previous proposal that would have prevented states from using their Medicaid programs (including support from federal matching funds) to supplement and fill in gaps in coverage for individuals dually eligible for both Medicare and Medicaid. NAMI places a high priority on the needs of vulnerable, low-income Medicare beneficiaries with mental illnesses and feels strongly that every effort must be made to ensure that there are no gaps in coverage and that cost sharing requirements are held to a minimum for these individuals. This provision will also help states cope with growing pressures on the drug benefits currently in their Medicaid programs.

This conference agreement does represent an improvement for Medicare beneficiaries living with mental illness. Beneficiaries with no drug coverage will finally have the

option to get help in meeting the costs of their medications. NAMI feels strongly that it is time for Congress to end partisan stalemate over this issue and take advantage of the \$400 billion available this year to spend on a new drug benefit. NAMI is very concerned that this opportunity to improve Medicare may not present itself again for years. Further, because the Medicare drug benefit will not go into effect until 2006, we are hopeful that there will be opportunities to improve the benefit over the next 2-3 years.

Among the issues that NAMI urges Congress to address before the new benefit goes into effect are:

- stronger protections to ensure access to the full range of treatments within a given therapeutic class and curbs on the use of restrictive formularies,
- further efforts to narrow the gap in coverage for persons with annual costs between \$2,200 and \$3,600,
- restoration of provisions in the Senate-passed bill that would have eliminated the asset test for low-income beneficiaries that qualify for low-income subsidies, and
- elimination of discriminatory restrictions in the Medicare program that apply only to mental illness treatment such as the 50% co-payment for outpatient services and the 190-day lifetime limit on inpatient care.

NAMI looks forward to working with you and your colleagues in the House on these important improvements to both Medicare and the proposed new drug benefit. In the meantime, NAMI urges you and colleagues to approve this conference report and deliver on the promise of a drug benefit for Medicare. While this bill is not the final word on drug coverage under Medicare, it is an improvement over the current Medicare program and it is therefore time for Congress to act.

Sincerely,



Richard C. Birkel, Ph.D.
Executive Director