



**American Hospital
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March 17, 2015

The Honorable Benjamin L. Cardin
United States Senate
509 Hart Senate Office Building
Washington, DC 20510

Dear Senator Cardin:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, and our nearly 43,000 individual members, the American Hospital Association (AHA) is pleased to support S. 599, the Improving Access to Emergency Psychiatric Care Act of 2015. Your bipartisan legislation takes an important step toward easing the shortage of psychiatric beds in communities across the nation.

Under current law, the Institutions for Mental Disease (IMD) exclusion prohibits Medicaid coverage of inpatient care in freestanding psychiatric facilities with more than 16 beds for patients aged 21 to 64. This outdated prohibition frequently forces Medicaid beneficiaries to seek emergency psychiatric care in community hospitals whose emergency departments are often crowded and which may not be the most appropriate sites to handle psychiatric emergencies. Congress established the Medicaid Emergency Psychiatric Demonstration Program in 2010 to test whether allowing federal Medicaid matching payments to freestanding psychiatric hospitals for emergency psychiatric cases would improve the quality of, and access to, care and reduce Medicaid program costs. The demonstration, which is set to terminate on December 31, 2015, has provided up to \$75 million over three years to enable IMDs in 11 states and the District of Columbia to receive Medicaid reimbursement for treatment of patients aged 21 to 64 who require treatment for psychiatric emergencies.

We are encouraged by the preliminary data from HHS indicating that allowing such coverage is reducing utilization and lowering costs. Your legislation would extend the current demonstration project until HHS completes its final evaluation of the demo or until September 30, 2016, whichever occurs first, as long as the extension would not increase Medicaid costs, and it would also allow the Secretary of HHS to extend the demonstration project for additional three years and expand it to other states, subject to the same budget neutrality standard.

Because of Medicaid's critical role in covering persons with mental illness, your legislation holds promise for easing the strain on community hospitals and improving access to quality psychiatric care for this underserved and vulnerable population.



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We are grateful for your leadership, and we look forward to working with you to help enact S. 599.

Sincerely,

//s//

Rick Pollack
Executive Vice President