



Mental Health Association in New York State, Inc.

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MEMORANDUM IN OPPOSITION

Provisions of S.1507/A.2007:

(Elimination of Medicaid Payments for Medicare Part B Coinsurance)

MHANYS opposes provisions in the Health and Mental Hygiene budget bill (S.1507/A.2007), specifically Part C, Section 3, which would eliminate Medicaid payments for Medicare Part B coinsurance for mental health. Medicare Part B patients are currently responsible for a 20 percent co-insurance co-pay. Where a Medicare patient is also eligible for Medicaid, Medicaid pays this 20 percent on behalf of the patient in what is known as a “crossover” payment.

The elimination of the crossover payment is the exact opposite policy direction for New York to adopt particularly for people in need of behavioral health care living in long term care settings. The elimination will result in a 20 percent loss in revenue for mental health providers already operating below cost, effectively putting them out of business. As a result 95,000 long term care patients and other elderly and disabled individuals will lose access to behavioral health care.

This is an untenable policy since nearly 50% of individuals receiving long-term care have a mental disorder other than dementia. Other estimates suggest as many as 68% of nursing home residents have some mental illness and 16.4% of nursing home residents have a *primary* diagnosis of mental illness. Many more have a mental illness as a secondary diagnosis.

Mental disorders are associated with poorer health outcomes, increased functional impairment, and decreased adherence to treatment. People with depression and a physical disorder are twice as likely to experience preventable hospitalization and experience premature disability and/or mortality. Older adults with depression and chronic physical conditions have 50% higher health care costs than non-depressed older adults.

Public policy in New York should be focused on ways to increase behavioral health treatment access for elderly and disabled people living in long term care facilities. The elimination of the crossover payment will reduce access to behavioral health care at a time when demographic trends point to a significant increase in aging New Yorkers.¹

For these reasons MHANYS urges the legislature to preserve the crossover payment in this year’s budget.

¹ The number of New York State residents who are 65 and older is projected to increase by 38%, and those 85 and older by 7%; moreover, reflecting the aging of the baby boomer population, the projections are that those 85+ will have increased much more dramatically, by 48%, by 2040. Cornell Program on Applied Demographics, data produced September 8, 2011, and *LeadingAge* New York, Senior Housing in New York State, February 2013, page 4.

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