US House of Representatives Passes Medicare MFT Coverage as Part of Health Reform; Senate Floor Bill Lacks MFT Coverage and Other Strong Mental-Health Provisions

On November 7, the US House of Representatives passed a health-reform bill (HR 3962) including Medicare coverage of MFTs (Section 1308), an annual $60 million funding authorization for mental-health professions students and academic programs (including MFTs), other mental-health improvements, and insurance coverage for 39 million uninsured Americans. AAMFT thanks our members who recently emailed more than 1,000 messages to their House members in support of Medicare MFT coverage in the House reform bill.

In the Senate, a 2,074-page health-reform bill was introduced on November 18 by Majority Leader Harry Reid (D-NV) and is technically termed the Senate Amendment to HR 3590, an unrelated House-passed bill. On November 21, the Senate – which needed 60 Yes votes to begin debate on this bill – voted 60-39 to begin debate. AAMFT cannot support the Senate bill as introduced for the reasons detailed below.

This Senate bill, also called the Patient Protection and Affordable Care Act, does not include Medicare MFT coverage. As previously reported, Sen. Blanche Lincoln (D-AR) filed the “Lincoln D3” amendment including Medicare MFT coverage during the Senate Finance (Medicare) committee’s actions on its health-reform bill. But Sen. Lincoln did not act on this amendment, and does not plan to offer it as a Senate Floor amendment. AAMFT and our allies continue to seek a Senate Floor “champion” for Medicare MFT and LPC coverage.

Another problem with the Senate bill is that it would impose a 40% excise tax on most employer-sponsored health plans to the extent their annual premiums exceed $8,500 for individual coverage and $23,000 for family coverage. Under current law, the value of all employer-sponsored health plans is not taxed. This proposed “Cadillac plan” tax’s purposes are to raise funds for the new program for the uninsured and to incent healthcare consumers to be more cost-conscious. But its effect would be to reduce health plan coverages for millions of Americans, with disproportionate reductions in lesser-used benefits such as MFT services.

In addition, for taxpayers under age 65, the Senate Floor bill would increase the threshold for claiming the itemized Medical Expenses deduction from its current level of 7.5% of Adjusted Gross Income (AGI) to 10% of AGI. Thus, affected taxpayers would be less able to deduct unreimbursed costs of MFT services. This bill also would reduce to $2,500 the annual amount that could be contributed tax-free to Flexible Spending Accounts (FSAs) for covering unreimbursed healthcare expenses.
The Senate bill also has less extensive rules than the House for mental-health benefits in private health plans to be at a “parity” level with physical-health coverages.

The Senate bill does authorize $30 million annually in mental-health (including MFT) workforce development funding (student loan forgiveness for working with kids, and grants to university programs to recruit students). The Senate bill also would provide basic health coverage for about 31 million now-uninsured Americans, but would not require the relevant health plans to cover MFT services, to allow any willing providers to participate, or to offer consumers the freedom to choose among types of mental-health providers.

So, on balance the Senate bill would harm MFTs and their clients.

AAMFT continues to work in coalition with the American Counseling Association, the American Mental Health Counselors Association, the National Board for Certified Counselors, and the California Association of Marriage and Family Therapists to assure that the final health reform bill includes major mental-health improvements. AAMFT members may quickly email their Congresspersons to support Medicare MFT coverage as part of the final reform bill by going to http://capwiz.com/aamft/home/.