

PATRICK J. KENNEDY
1ST DISTRICT, RHODE ISLAND

WASHINGTON OFFICE
407 CANNON HOUSE OFFICE BUILDING
(202) 225-4911
FAX: (202) 225-3290

DISTRICT OFFICE
249 ROOSEVELT AVENUE, SUITE 200
PAWTUCKET, RI 02860
(401) 729-5600
(800) 392-5772
FAX (401) 729-5608

www.house.gov/patrickkennedy



Congress of the United States
House of Representatives
Washington, DC 20515

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TESTIMONY OF REPRESENTATIVE PATRICK J. KENNEDY

House Committee on Education and Labor
Subcommittee on Health, Employment, Labor and Pensions
Hearing on the Paul Wellstone Mental Health and Addiction Equity Act
(H.R. 1424)

July 10, 2007 | 3:00 p.m.

Chairman Andrews, Ranking Member Kline, and my distinguished colleagues, thank you for inviting me to testify today, and, especially, for your commitment to ending insurance discrimination.

And of course, I must single out my great friend and the strongest champion for Americans with mental illnesses and addictions, Jim Ramstad. For years he has led this fight, leaning into the stiff wind of his own leadership without regard for the political consequences, speaking up for what he knows is right. We all owe him a debt of gratitude, nobody more than I. Jim, it has been an honor to stand with you in these efforts, and a greater privilege to be your friend.

This issue is first and foremost one of fundamental fairness. Let me tell you about Anna Westin. Anna Westin paid her health insurance premiums just like everyone else. But when she got sick with anorexia and needed her insurance coverage, she didn't get it. That is just not fair. And it tragically cost Anna her life.

Why did Anna's insurance fail to pay for her care? Because of stereotypes and stigma. There is no medical or policy rationale for discriminating against mental health diagnoses.

In the attached exhibits, you can see the visual evidence that these diseases are physiological brain disorders, diminishing the brain's function just as heart disease diminishes the heart's function.

Some brain diseases, like Parkinson's, affect the motor cortex, the basal ganglia, the sensory cortex, and the thalamus. Other brain diseases, like depression, affect the limbic cortex, hypothalamus, frontal cortex, and hippocampus.

We provide full coverage to treat certain structures of the brain, but erect barriers to the treatment of other structures.

This discrimination is not only unjustifiable, it is enormously costly. Representative Ramstad and I have traveled across this country holding informal field hearings on this subject – fourteen in total.

We've heard from chiefs of police, like Sheriff Baca in Los Angeles who says he runs the largest mental health provider in the United States: the L.A. County Jail. According to the Justice Department, more than half of inmates in jails and prisons in this country have symptoms of a mental health problem. Two-thirds of arrestees test positive for one of five illegal drugs at the time of arrest, according to the National Institutes of Health.

That's a cost of our insurance discrimination.

We've heard from hospital presidents and emergency room doctors, like Dr. Victor Pincus. He said that 80% of the trauma admissions at Rhode Island Hospital, a level-one trauma center, were alcohol and drug related. Eighty percent.

The physical health care costs go beyond the emergency room. Research shows, for example, that a person with depression is four times more likely to have a heart attack than a person with no history of depression. Health care use and health care costs are up to twice as high among diabetes and heart disease patients with co-morbid depression, compared to those without depression, even when accounting for other factors such as age, gender, and other illnesses. Not surprisingly then, one study found that limiting employer-sponsored specialty behavioral health services increased the direct medical costs of beneficiaries who used behavioral healthcare services by as much as 37%.

These are costs of our insurance discrimination.

In our field hearings, we've heard from enlightened business leaders and insurance executives who understand that skimping on mental health and addiction treatment only winds up driving up other costs. That's why Bob Hulsey from the Williams Companies in Tulsa, Rep. Sullivan's district, said of parity, "I absolutely believe that it helps the business."

Rick Calhoun, an executive in the Denver office of CB Richard Ellis, a Fortune 500 company, made a similar point. Mr. Calhoun said that the cost of treating mental illness is 50% of the cost of not treating it. As he said, "This is a no-brainer. How could we not cover it?"

Untreated mental health and addiction cost employers and society hundreds of billions of dollars in lost productivity. The World Health Organization has found that these diseases are far and away the most disabling diseases, accounting for more than a fifth of all lost days of productive life. Depressed workers miss 5.6 hours per week of productivity due to absenteeism and presenteeism, compared to 1.5 hours for non-depressed workers. Alcohol-related illness and premature death cost over \$129.5 billion in lost productivity per year.

These are costs of our insurance discrimination.

All of these costs are preventable, and wasteful. But none are as tragic as the individual costs. We heard testimony from anguished parents like Kitty Westin and Tom O'Clair, who had to bury their children whose mental illnesses and addictions went untreated.

We heard testimony from Steve Winter. He described eating breakfast as a teenager, getting a funny feeling in his chest, and looking up seeing his mother holding a gun. "I shot you, and I'm going to shoot your sister and myself so we can all be in heaven together," she said.

Steve's mother was off her anti-psychotic medications at that time due to insurance problems, and now Steve is spending the rest of his life in a wheelchair as a result, having endured a million dollars worth of surgeries, treatments, and medical equipment.

So many Americans have lost their dreams, lost years, and even lost their lives – unnecessarily. You'll hear Amy Smith's powerful testimony in a few moments about the difference treatment can make.

In Palo Alto we met Kevin Hines. He is a gregarious, outgoing person and is engaged to be married this summer. In 2001 he jumped off the Golden Gate Bridge, one of very few to survive that fall. Thirty-thousand people succeed where Kevin fortunately failed, and take their own lives each year. How many of them would, like Kevin, be starting families, contributing to their communities, holding jobs, and realizing their potential -- if only they had access to treatment?

Mr. Chairman, I'm happy to provide the transcripts from the field hearings I have referenced to be included in the record of this hearing, as well as our report, "Ending Insurance Discrimination: Fairness and Equality for Americans with Mental Health and Addictive Disorders."

We will hear arguments that, even if worthwhile, equalizing benefits is just too costly. The truth, however, is that the cost of doing the right thing and equalizing benefits between mental health and addiction care on the one hand and other physical illnesses on the other hand is negligible. This is not speculation.

In 2001, we brought equity to mental health and addiction care in the Federal Employees Health Benefits Program (FEHBP), which covers 9 million lives, including ours as Members of Congress. A detailed, peer-reviewed analysis found that implementing parity did not raise mental health and addiction treatment costs in the FEHBP. Since our bill specifically references the FEHBP to define the scope of our bill, this analysis provides strong evidence that our legislation will similarly have negligible impact on costs. This finding is consistent with virtually every study of state parity laws as well.

But frankly, the very fact that we need to debate how much it costs to end insurance discrimination is offensive. Nobody is asked to justify the cost-effectiveness of care for diabetes or heart disease or cancer. Tell Kitty Westin, Tom O'Clair, Steve Winter, Amy Smith, or Kevin Hines, or the millions of others who live with these diseases that to keep health care costs down for everyone else, they will not have to pay with their lives. Why them?

People might say that there is a component of personal responsibility here, especially with addiction. That's true. I'm working hard every day at my recovery, and it's reasonable to ask of me. But it's also true that we don't deny insurance coverage to

people who are genetically predisposed to high cholesterol and eat fatty foods. We don't deny insurance coverage to diabetics who fail to control their blood sugar.

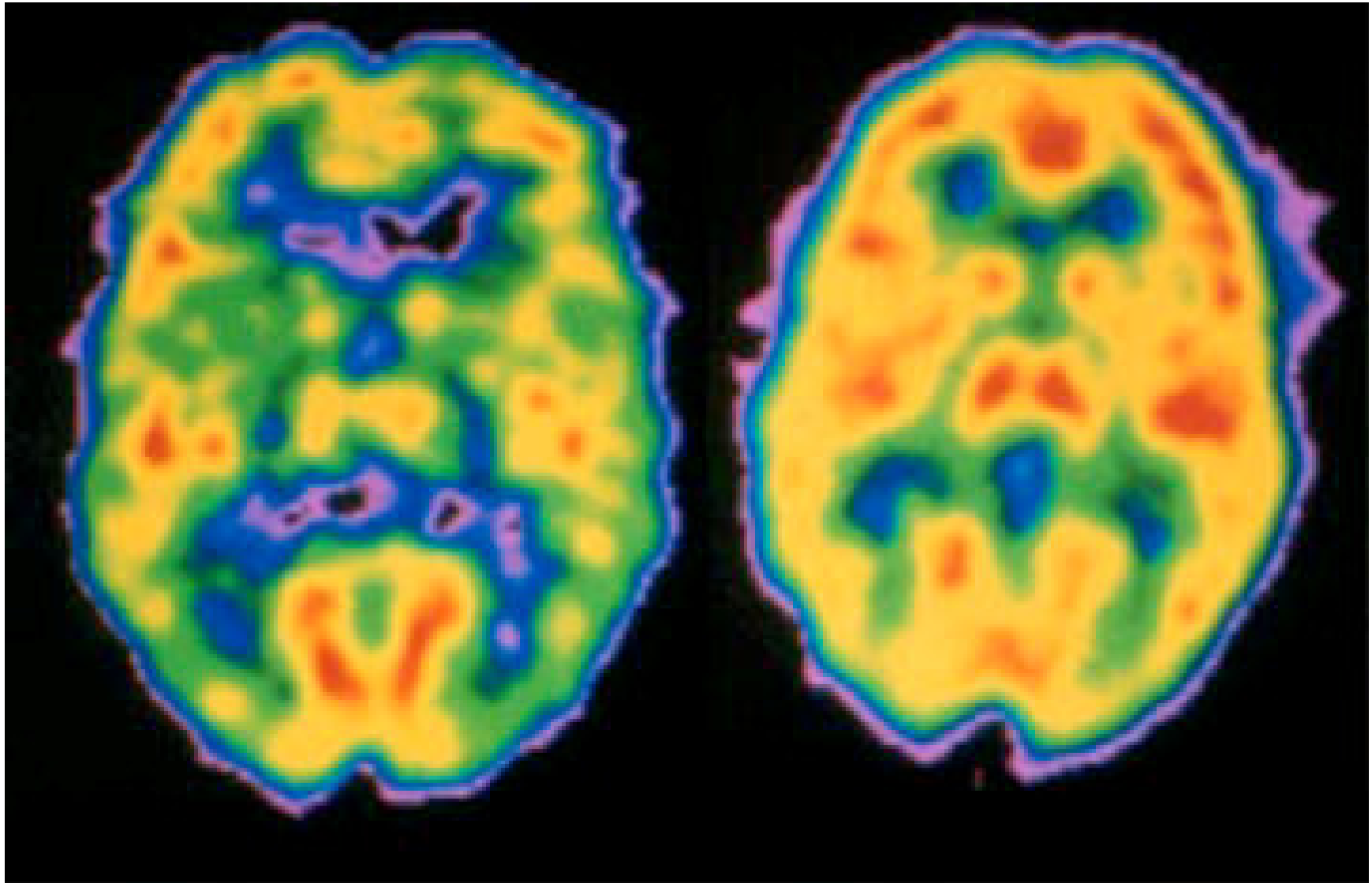
At the end of the day, this is about human dignity and whether we deliver on the promise of equal opportunity that is at the heart of what it means to be American. Nobody chooses to be born with particular genetics and anatomy, any more than they choose to be born with a particular skin color or gender. And nobody should be denied opportunities on the basis of such immutable characteristics. Anybody who pays their health insurance premiums is entitled to expect their plan to be there when they get sick, whether the disease is in their heart, their kidneys, or their brain.

Mr. Chairman, we just celebrated July 4th and our nation's Declaration of Independence. Unlike any other country in the world, this one was founded on principles – the ideas of equality and freedom and opportunity. The history of America is the history of a country striving to live up to those self-evident truths. In pursuit of those values we've fought a civil war, chipped away at glass ceilings, expanded the vote, renounced immigration exclusion laws, and recognized that disabilities need not be barriers. Led by one of our own colleagues, a generation of peaceful warriors forced America to look in a mirror and ask itself whether its actions matched its promise, and they changed history.

It is time, once again, to ask that question: are our actions matching our promises? And once asked, the answer is clear. Jim and I know, personally, the power of treatment and recovery. We are able to serve in Congress because we have been given the opportunity to manage our chronic diseases. Every American deserves the same chance to succeed or fail on the basis of talent and industriousness. That's the American Dream, and it shouldn't be rationed by diagnosis.

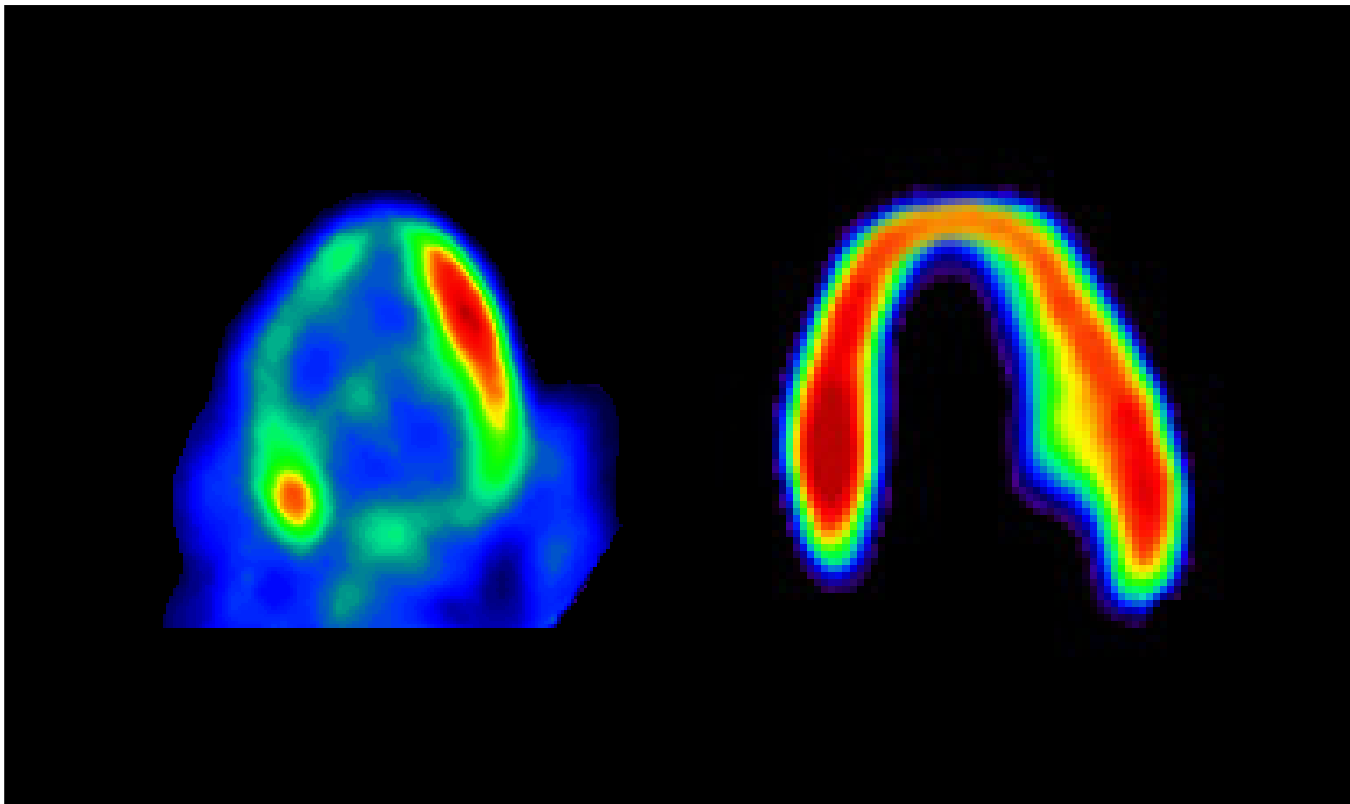
Thank you.

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schizophrenic brain

healthy brain



Diseased heart

Healthy heart