

August 30, 2011

Submitted via www.regulations.gov

Administrator Donald Berwick
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Room 445-G
Hubert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

**Re: Request for Comments on CMS Proposed Rule 1525-P, Medicare and Medicaid Programs:
Hospital Outpatient Prospective Payment**

Dear Administrator Berwick:

The National Council for Community Behavioral Healthcare is a not-for-profit, 501(c)(3) association of 1,950 behavioral healthcare organizations that provide treatment and rehabilitation for mental illnesses and addictions disorders to nearly six million adults, children and families in communities across the country. The National Council and its members are committed to providing comprehensive, quality care that affords every opportunity for recovery and inclusion in all aspects of community life. The National Council advocates for policies that ensure that people who are ill can access comprehensive healthcare services and offers state-of-the-science education and practice improvement resources so that services are efficient and effective.

We thank the Centers for Medicare and Medicaid Services (CMS) for the opportunity to provide comment on the CMS proposed rule 1525-P, Medicare and Medicaid Programs: Hospital Outpatient Prospective Payment.

CMHC-based Partial Hospital Program (PHP) services are a vital component of the continuum of mental health care. They are a proven, cost-effective model of care for clients who remain at high risk for admission to more costly inpatient services. These programs provide intensive clinical treatment to clients who otherwise would not be able to function in the community.

Over the past five years, the reimbursement rate to this level of care has been significantly cut by CMS. The effect of these cuts has been devastating, and further cuts threaten continued access to this cost-saving benefit for people with chronic mental illness. We are deeply concerned about the direct impact a sixth consecutive rate reduction will have on PHP services. CMS is proposing to cut the CMHC-based PHP rates for CY 2012, by 27.2 percent for three services per day (from \$129.64 to \$97.78), and by 34 percent for four or more services per day (from \$164 to \$113.62).

Additionally, these proposed rates do not in any way capture or reflect what it will cost to implement CMS proposed rule 3202-P, Conditions of Participation (CoPs) for Community Mental Health Centers. In combination, the rate cuts plus CoPs will force the closure of all CMHC-based PHPs.

There are other circumstances where PHP providers cannot bill for the approved services they rendered, so in effect they deliver many days of unreimbursed care. For example, if a patient is too anxious to tolerate group therapy for the entire treatment day, a staff member provides individual attention to stabilize them. Billing cannot be submitted for that patient for that treatment day because it appears that the patient was absent when, in fact, he was at the program and received more intense personal care.

The National Council respectfully requests that CMS suspend implementation of the Proposed Changes to Hospital Outpatient Rates for Partial Hospitalization services and keep the current rates in place until such time as CMS can establish a Rate Setting Task Force to develop a new rate methodology that captures all relevant data and reflects the real time costs to providers to deliver these services, including an accurate accounting for implementing the proposed Conditions of Participation for CMHC-based PHPs.

Thank you for the opportunity to respond.

Sincerely,



Linda Rosenberg, MSW
President and CEO