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VIA EMAIL: herb.kuhn@cms.hhs.gov

November 14, 2007

Mr. Herb B. Kuhn
Deputy Administrator
Centers for Medicare and Medicaid Services
Office of the Administrator
Hubert H. Humphrey Building, Room 314-G
200 Independence Avenue, SW
Washington, DC 20201

Dear Mr. Kuhn:

On behalf of the National Association of Psychiatric Health Systems (NAPHS), which represents more than 600 behavioral healthcare providers, including psychiatric hospitals, psychiatric units within general hospitals, residential treatment centers, and outpatient networks, I am writing about a November 5, 2007, Center for Medicaid and State Operations/Survey and Certification Group memorandum sent to state survey agency directors regarding initial surveys for new Medicare providers.

In this memorandum, CMS stated that "while psychiatric hospitals in general are eligible for deemed accreditation, no AO (accrediting organization) is approved for verification of compliance for special psychiatric conditions of participation found at 42 CFR 482.60 through 482.62." The memorandum further stated, "We expect that the rest of the hospital's operations would achieve certification through deemed accreditation and that only the non-deemed part would be surveyed by the CMS as a Tier 3 priority." **We are concerned that this low priority level for certification of new psychiatric hospitals will potentially have a major impact on access to inpatient psychiatric care by Medicare and Medicaid beneficiaries.**

President Bush's New Freedom Commission on Mental Health stated in its 2004 acute care subcommittee background paper that from 1990 to 2000 state and county psychiatric hospital beds per capita decreased by 44%, private psychiatric hospitals beds per capita declined by 43%, and per capita beds in psychiatric units of general hospitals declined by 32%. According to this background paper, "press accounts and testimony to the Subcommittee clarified the problem (lack of inpatient psychiatric beds) has seriously disrupted the service delivery system in a substantial number of communities where crises exist in the availability of acute care, including

short-term inpatient care.” We continue to hear about communities around the country who do not have enough inpatient psychiatric beds to care for patients in need of this level of care.

We understand the limitations that CMS has with respect to surveying new hospitals, but we believe that CMS has the ability to address this lack of access to inpatient psychiatric care in many communities through the “Priority Exception Request” outlined in the November 5, 2007, memorandum. The memorandum states that “providers or suppliers may apply to the State survey agency (SA) for CMS consideration to grant an exception to the priority assignment of the initial survey if lack of Medicare certification would cause significant access-to-care problems for beneficiaries served by the provider or supplier.”

Based on the documented need for inpatient psychiatric care beds in many communities throughout the country, **in the short-term we would strongly recommend that the Center for Medicaid and State Operations/Survey and Certification Group communicate with State Survey Agency Directors and CMS Regional Offices encouraging them to give a high priority to all access-to-care exception requests for new psychiatric hospital surveys.**

In the longer-term, we would recommend that CMS consider ways to eliminate the need for CMS to directly survey for the special psychiatric conditions of participation. One approach would be to allow The Joint Commission, which now accredits psychiatric hospitals, to also carry out the survey on the special conditions of participation. This would streamline the Medicare certification process, reduce CMS direct costs, and provide a more seamless process for psychiatric hospitals.

Thank you for your consideration of our requests, and we look forward to working with CMS in addressing the need for continued timely access to inpatient psychiatric care for our most vulnerable Medicare and Medicaid beneficiaries.

Sincerely,



Mark Covall
Executive Director