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LEGISLATIVE OVERVIEW OF SB 65

Presented to:
Assembly Judiciary Committee
Bernie Anderson, Chairman

Presented by:
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President, NSPA

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An estimated 15 to 18% of Americans including 14 million children suffer from a diagnosable mental disorder. Fifty to seventy-five percent of usual visits to primary care physicians are for medical complaints that stem from psychological factors. Anxiety and depression are among the six most common conditions seen by a family practice physician. In any one month period, nearly eight million Americans suffer from depression. As many as one in five Americans will suffer at least one major episode of depression during their lifetimes. Twenty-five percent of patients seen by primary care physicians have psychological disorders. A random sample of elderly residents in Medicaid facilities found that nearly 80% of the residents had moderate to intense needs for mental health care.

Mental disorders create a burden on our health care system because patients with untreated psychological disorders are heavy users of medical services. In addition, mental disorders have a direct effect on our economy because they result in diminished productivity in the workplace. Mental disorders are the health condition that most limits the ability to work. In fact, they are the third most limiting health condition in terms of performing major daily activities proceeded only by cancer and stroke. Individuals with major depression were found to be more than four times more likely to take disability days than non-depressed employees, and three times more likely to miss time from work. Workers testing positive for drug use were two and a half times more likely to be absent than workers who did not test positive. In 1980, alcoholism alone cost America 500 million lost work days.

Providing appropriate mental health care helps those who suffer from psychological disorders, saves valuable health care resources, and restores productivity in the workplace.

Senate Bill 65 changes the professional corporation law to include licensed psychologists, marriage and family therapists, licensed clinical social workers, and psychiatric nurses. With the passage of this law, licensed professionals will

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be eligible to establish interdisciplinary health care delivery arrangements in an effort to compete in the evolving health care marketplace. The passage of SB 65 allows the formation of a professional corporation composed of licensed multi-disciplinary mental health professionals for the purpose of rendering a menu of evaluation, consultation and psychotherapeutic treatment for clients requiring these services.

The formation of a multi-disciplinary professional corporation provides for the more efficient provision of mental health services including having the availability of more professionals to offer weekend and evening appointments, the ability to make referrals to a more diverse group of mental health specialists, develop better internal quality assurance and peer review of clinical services, and offer a greater range of services in one convenient and centralized location.

In a group practice, partners will develop more intimate consultative and collaborative relationships leading to better communication about client problems and needed services as well as facilitating continuity of care and having greater access to clients requiring multi-disciplinary mental health services.

In this managed care environment, a corporation with other mental health professionals makes good business sense relative to the sharing of practice costs, ownership of real and personal property appropriate to the business, and the ability to invest corporate funds. Professional corporations are able to develop an economy at scale to minimize costs in a highly regulated and managed behavioral health service industry. Membership in such a multi-disciplinary professional corporation will allow the partners to provide the quantity of required mental health services without compromising quality.

Without passage of SB 65, these advantages cannot be achieved under the current law as it is written. This law does not adversely affect consumers or other licensed professionals. This law will expand multi-disciplinary practice opportunities for medical and paramedical personnel alike.

Mr. Chairman, I appreciate the opportunity to speak before the committee this morning. I don't wish to take up more of your time. Our attorney, Mr. Jeff Whitehead is here to provide technical explanations, if needed.