Coalition for Fairness in Mental Illness Coverage

THE TRUTH ABOUT DSM AND PARITY

The Issue

Parity opponents are waging a campaign of misinformation about what is covered under the Mental Health Equitable Treatment Act (H.R.4066/S. 543). The campaign is focused on the bill's reference to the widely-used and accepted standard diagnostic reference for mental disorders known as the Diagnostic and Statistical Manual of Mental Disorders, or DSM-IV.

H.R. 4066 & S. 543 Do Not Mandate Treatment Coverage of all Conditions in DSM-IV

Those who are misrepresenting the DSM are confusing the diagnoses of mental disorders with every health plan's right to determine what treatments are medically necessary according to their own criteria, explicitly protected in the bill.

- The bills require treatment for services for a DSM-listed mental health condition **ONLY** when (1) such **services are included as part of an authorized treatment plan**, (2) that plan **is in accord with standard protocols**, (3) the services **meet the plan or issuer's medical necessity criteria**, and (4) the **services meet such managed care practices** as the plan employs.
- In addition, both S. 543 and H.R. 4066 explicitly and carefully preserve the ability of health plans to use **"concurrent and retrospective utilization review, utilization management practices, preauthorization, and the application of medical necessity and appropriateness criteria applicable to behavioral health and the contracting and use of network providers.**"

- Parity opponents claim that if parity is adopted the floodgates will open for treatment of "peripheral" conditions not worthy of insurance coverage, such as "malingering" and "jet lag." **This is clearly false. Health plans would be no more likely to pay for treatment for "malingering" or "jet lag" in a post-parity world than they do today.** Furthermore, they would be no more likely to pay for treatment for such "peripheral" conditions than they do now for freckles, corns, baldness, premature grayness, flatulence or first degree sunburn – all of which are listed in the widely used medical/surgical diagnostic tool known as the International Statistical Classification of Diseases-Tenth Revision (ICD-X).
- Parity opponents also claim that the legislation covers "caffeine addiction" or "caffeine intoxication" and other similar substance abuse disorders. It does not! **The legislation expressly states that ALL substance abuse disorders are NOT covered.**

What is the DSM and Why is it Important to Parity Legislation?

The Diagnostic and Statistical Manual of Mental Disorders is a uniform standard system of classification for the diagnosis of mental disorders and is a diagnostic tool for health professionals, like the ICD-X is for the diagnoses of medical conditions.

- The DSM-IV was developed through an open process involving more than 1,000 national and international researchers and clinicians drawn from a wide range of mental and general health fields.
- DSM-IV is based on a systematic, empirical study of the evidence (consisting of literature reviews, data analyses, and field trials funded by NIMH and other government entities).
- "DSM-IV is a classification of mental disorders that was developed for use in clinical, educational, and research settings. The diagnostic categories, criteria, and textual descriptions are meant to be employed by individuals with appropriate clinical training and experience in diagnosis. It is important that DSM-IV not be applied mechanically by untrained individuals." (DSM-IV-TR)

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Who Uses the DSM?

The DSM is widely used in making diagnosis, treatment, and coverage determinations in both the public and the private sectors.

- **The same parity opponents who complain that DSM criteria are too broad currently use DSM criteria every day in determining whether to pay claims for mental health treatment.**
- Thirteen states that have enacted broad-based parity laws to cover all mental illness diagnoses are based upon the DSM. They are: Arkansas, Connecticut, Georgia, Indiana, Kentucky, Maryland, Minnesota, Mississippi, New Mexico, North Carolina, Rhode Island, Tennessee, and Utah.
- DSM-IV criteria are included in Medicare, virtually all state Medicaid laws and the Federal Employees Health Benefits Program. DSM-IV criteria are used by the FDA and the legal system throughout the country.
- Virtually all managed behavioral health companies use the DSM-IV to determine whether mental health treatment is medically necessary.

Will One-Tenth of One Percent Really Break the Bank?

Opponents claim the proposed legislation goes beyond a "common-sense" definition of mental illness. They say a "more expansive" definition caused by reliance on the DSM will significantly increase health care premiums so much so that employers will have to drop or reduce health insurance coverage for their employees. **CBO has projected that S. 543 would increase, on average, insurance premiums by a mere 0.9%**. A SAMHSA/Mathematica Policy Research report states that treatment of severe mental illnesses (SMI) represents 89% of the increase in expenditures for all mental health diagnoses due to parity. Thus, **the addition of DSM diagnoses other than severe mental illnesses would result in a premium increase of a meager .099% or less than 1/10 of one percent**. Those costs do not take into account the employer cost savings associated with treating these illnesses, which -- left untreated -- cost employers tens of billions annually. One-tenth of one percent is hardly enough to cause employers to drop or decrease employee health insurance coverage.

End the Discrimination:

While parity opponents claim that the bill's reference to the DSM-IV would require plans to pay for treating minor life problems, the determination that an individual has a disorder listed in the DSM-IV does NOT in itself mean that that individual is in need of treatment.

To achieve parity, it is important that this bill rule out discrimination by diagnosis and -- as with medical and surgical coverage – have health plans determine care on the basis of the need for treatment not on the basis of the diagnosis or specific label assigned a disorder.