Coalition for Fairness in Mental Illness Coverage

PASS MENTAL HEALTH PARITY NOW!
END DISCRIMINATORY MENTAL HEALTH COVERAGE

No matter the form, discrimination is wrong. Yet, mentally ill patients seeking treatment are discriminated against by requiring higher copayments, allowing fewer doctor visits or days in the hospital, or higher deductibles than imposed on other medical illnesses. This discrimination results from outdated misconceptions and the stigma surrounding mental illnesses. If left to continue, the financial and human costs of untreated mental illness will far exceed the costs purported by opponents–that covering mental health services will exponentially and unfairly increase premiums for all enrollees. In fact, data have shown that the cost of instituting equal coverage for treatment of mental illnesses is inconsequential.

The Mental Health Parity Act (MHPA) of 1996 will sunset on December 31, 2002. This current federal law prohibits discriminatory annual and lifetime dollar caps for mental health benefits as compared to medical and surgical benefits. The Act has had a minimal cost, but 87% of complying health plans have evaded the spirit of the law by replacing dollar limits with arbitrary limits on inpatient days and outpatient visits or another part of the benefit, found the U.S. General Accounting Office (May 2000).

The Mentally Ill Population

According to the Surgeon's General Report on Mental Health, about 20 percent of the U.S. population are affected by mental disorders during a given year.

- About 20 percent of children are estimated to have mental disorders with at least mild functional impairment. Over 50 million adults suffer from mental or substance abuse disorders on an annual basis.

- The National Institute of Mental Health has shown that success rates of treatment for disorders such as schizophrenia (60%), depression (70-80%) and panic disorder (70-90%) surpass those of other medical conditions (heart disease, for example, has a treatment success rate of 45-50%).

Parity in Mental Illness Coverage Can Save Money

Providing equal coverage for all illnesses makes good economic sense; when mental illnesses go untreated, costs begin to escalate.

- The 1999 Surgeon General's report on mental illness estimates the direct business costs of lack of parity coverage of mental illness treatment of at least $70 billion per year, mostly in the form of lost productivity (absenteeism and "presenteeism") and increased use of sick leave. Other studies have show that employees with inadequate mental health coverage resort to increased use of general health care services.

- An MIT Sloan School of Management report showed in 1995 that clinical depression costs American businesses $28.8 billion a year in lost productivity and worker absenteeism.

Providing Parity for Mental Illness is Affordable

A growing body of research and actual industry experiences indicate that parity can be implemented without substantially increasing premiums.

- The Congressional Budget Office scored S.543, as amended by the HELP Committee, to only increase premiums by .9%, with employees paying less than half the increase.

- The National Mental Health Advisory Council, in its 2000 final report to Congress, estimates an approximate 1.4% increase in total health insurance premium costs when parity is implemented.

- Since implementation of North Carolina's state employees' parity law in 1992, mental health payments as a portion of total health payments decreased from 6.4% to 3.4% in FY 1996. This represents a 47% reduction in costs. During the same time period, there was a 64% reduction in hospital days paid by the State Employees Health Plan for mental illness (NC State Health Plan Office).

Why Do We Need Mental Health Parity Legislation Enacted into Law?

- The enactment of the Mental Health Parity Act of 1996 (P.L. 104-204) was the first step in ending the discrimination against individuals with mental illnesses. However, the fight is far from over. The federal law is limited in scope and application: the federal law only applies to mental health annual or lifetime cost limits, but not to substance abuse, copayments, deductibles, or inpatient/outpatient treatment limits.

- Beginning January 1, 2001, the Federal Employees Health Benefit Program (FEHBP) implemented full parity benefits to its 9 million beneficiaries.

- At the federal level, Senators Pete Domenici (R-NM) and Paul Wellstone (D-MN) introduced the Mental Health Equitable Treatment Act of 2001, S. 543. This legislation mirrors the already existing FEHBP parity benefit by proposing to expand on existing law by addressing limits on deductibles, coinsurance, co-payments, other cost sharing, and limitations on the total amount that may be paid with respect to benefits under the plan or health insurance coverage. Representative Marge Roukema (R-NJ) introduced the Mental Health and Substance Abuse Parity Amendments of 2001, H.R. 162. The bill proposes to extend full parity to those who are covered by mental health or substance abuse plans. It is clear there is congressional support for extending and building upon the 1996 law.

Discrimination, whatever the form, is WRONG. Mental illness is just like any other medical illness, treatment is successful and cost effective. The passage of mental health parity legislation will help end benefit discrimination that currently exists against people with mental illness.