Running head: MENTAL HEALTH PARITY POLICY EVALUATION

# Mental Health Parity Policy Evaluation

# Alaina Baker

# Wayne State School of Social Work

 SW 4710

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# Abstract

An evaluation of a social problem and the policies engaged to assist and promote change within society and legislation to ultimately provide adequate support to those in need. The lack of adequate and equal funding for those who suffer from mental illness is an enormous concern in today’s society. Throughout history many policies have been engaged to benefit those with mental health diagnoses. This paper will focus on one of the most influential policies pertaining to mental health; the Parity for Mental Health and Addictions as well as an evaluation of how this policy and those that support parity are dictated in relation with their effectiveness and success throughout the years and in today’s society.

# Mental Health Parity Policy Evaluation

Throughout history, society has viewed mental illness in many different lights. Governmental legislation and societal views have directly influenced the level of assistance and programs available to those suffering with mental health diagnoses. A major concern in today’s society is inadequacies in funding and the lack of effective treatment programs to improve the lives and functioning of the mentally ill. In order to address this concern many policies have been put into motion for centuries; some successful and others falling short of the ultimate goal; equal healthcare treatment and opportunities for mental illness. Parity for Mental Health and Addictions has provided millions of American’s equal opportunity to mental health and addiction treatment by requiring employer benefits to cover mental health and addictions treatment and physical health care equally.

# Policies in Place to Address Mental Health Concern

The policies associated with mental health are ever-changing, reflecting the values and norms of that time. From the 1800’s when there was little moral treatment for the mentally ill and mental illness was viewed as a sign of possession rather than a medical issue, to today when there is finally a greater acceptance among society and government and we are closer to gaining equal treatment for those who suffer from a mental illness. Between the 1800’s and today there have been radical changes in the outlook on mental health and numerous policies put in place to address this concern. The Paul Wellstone and Pete Domenici Mental Health and Parity and Addiction Equity Act of 2008 addresses these issues and provides those who suffer mental illness or substance abuse health insurance through their respective employer.

*The Mental Health Parity and Addiction Equity Act of 2008*

The Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act was passed by congress in 2008 and began effect in 2010. It is in place in order to ensure that people who suffer from mental illness and substance abuse issues have the opportunity to receive equal and adequate insurance coverage through their employer, just as those who suffer from general health issues. As stated by Carpenter & Harris et al. (2006), “Historically, health insurance plans have offered less generous coverage for mental health care services compared with that for general medical services,” this policy helps to guarantee that those who suffer mental illness, who were once failed by the healthcare system simply because of their diagnoses and lack of mental health coverage, get the treatment that they deserve. This policy has caused a drop in the phenomena known as the revolving door; patients being shuffled in and out of healthcare facilities and discharged before they have received care necessary to function outside of the facility. The Paul Well­stone and Pete Domenici Mental Health Parity and Addiction Eq­uity Act is not the first Parity Act to be passed by Congress. This Act made amendments to the prior Mental Health and Parity Act of 1996. According to the National Council for Community Behavioral Healthcare,

The 2008 Act amends the 1996 Act to include substance use disorders and to require that a group health plan of 50 or more employees provides coverage that ensures:

(1) Financial requirements applied to mental health and addiction benefits are no more restrictive than the financial requirements applied to substantially all medical and surgical benefits that the plan covers. Such financial requirements include deductibles, copayments, coinsurance, out-of-pocket expenses, as well as annual and lifetime limits. The plan may not establish separate cost sharing requirements that are only applicable to mental health benefits.

(2) Treatment limitations applicable to mental health and addiction benefits must not be more restrictive than those applied to substantially all medical and surgical benefits covered by the plan, including limits on the frequency of treatments or similar limits on the scope or duration of treatment” (National Council for Community Behavioral Healthcare, 2010).

This will ensure that the policy encompasses equal coverage regardless of the type of healthcare services required. This has caused a drastic increase in those seeking mental health and addiction treatment proving that those who initially had gone without necessary intervention due to financial concerns or eligibility are now able and actively seeking services.

State and Federal Regulations

As described in Health Affairs, “There are two important pieces to mental health parity policy: federal and state legislation.” (Sturm & Liccardo Pacula, 1999). The National Council for Community Behavioral Healthcare states, “Today, at least 46 states have enacted some type of law addressing mental health and substance use coverage.” (National Council for Community Behavioral Healthcare, 2010). The Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act is dictated at a federal level supported by federal funding and tax dollars. When the parity laws of individual states parity laws do not provide comparable coverage and assistance, the federal parity overrides the state parity regulations (Smaldone & Cullen-Drill, 2010), “The 2008 Parity Act does not undermine other Federal regulations, such as HIPAA, and generally allows more consumer-protective state-based parity requirements to continue to apply to state-regulated health insurance products and areas not preempted by ERISA.” (National Council for Community Behavioral Healthcare, 2010). As discussed in Health Affairs, “Some of the state laws are symbolic in nature and mirror the federal legislation, perhaps anticipating it by a few months (such as in Arizona, Indiana, and South Carolina). Other state mandates are more demanding (and potentially more costly to employers) than the Parity Act.” (Sturm & Liccardo Pacula, 1999). This evidence reflects the complexity of parity policy and the varying coverage provided across the nation. According to Mental Health Parity Legislation: Understanding the Pros and Cons; the expansion of policy pertaining to mental health parity strikes concern by federal and state government with the growing cost necessary to fund the assistance provided by these programs, “The Congressional Budget Office es­timates that MIPPA legislation will cost $2.8 billion over the next decade” (Smaldone & Cullen-Drill, 2010). This rising cost is due to an increase in individuals seeking mental health and substance abuse services. With the assistance and treatment options more readily available because of these state and federally regulated programs and the weakening stigma associated with mental health and substance abuse more people are getting the care that they need which is costly.

Evaluation of Current Policy

The Parity Act constitutes that treatement to those in need of mental health and substance abuse intervention is just as readily available and feasible as general healthcare services. The laws associated with The Parity Act of 2008 warrants that the lifetime limits and time constraints associated with previous policy are no longer an issue to those with insurance coverage in need of treatment. As summarized by Smaldone & Cullen-Drill; “The Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act affords financial protection and access to mental health services to individuals with health insurance by eliminating arbitrary limits on long-term therapy and substance abuse treatment.” (Smaldone & Cullen-Drill, 2010). This allows those who need ongoing treatment to receive treatment without limitations. This has led to an increase in the number of individuals seeking and receiving treatment and a decrease in the revolving door phenomena; in which individuals are shuffled in and out of treatment without ever receiving the care that they need in its entirety therefore virtually guaranteeing that they will end up back in treatment. The National Council for Community Behavioural Healthcare states, “The Act will protect over 113 million people across the United States, including the 82 million individuals enrolled in Employee Retirement Income Security Act (ERISA) group health insurance plans who are not protected by State parity laws.” (National Council for Community Behavioral Healthcare, 2010) which is encouraging when the history of stigmatization of mental health is considered.

Throughout the years the rise in mental health awareness is due in part to mental health and substance abuse advocates. These advocates support the Parity Act of 2008 and the equal treatment to those in need. Barry & Frank et al. share the collective feelings of policy supporters, “Passage of comprehensive parity would allow policymakers, health care managers, and clinicians to shift attention away from benefit design and toward figuring out how to get effective treatment for people who would benefit.” (Barry, Frank, & McGuire, 2006). Aside from the support of select policy makers, advocates and health care workers the population of those in need is in full support of coverage without limitations that they had previously known. The people who previously went without care are now receiving care due to parity policy and the coverage now provided to promote feasibility of treatment.

When taking into account all of the advantages of the Parity Act there are some that view this policy as expensive and ineffective. According to Health Affairs, “With most employers and insurers, there are two major concerns: (1) skyrocketing utilization rates that increase costs and overwhelm the advantages of the continued provision of mental health benefits, and (2) the types of mental illnesses that must be covered under the new rules. Proponents of the legislation wonder if the MHPAEA goes far enough to ensure full parity or whether it will fall short of providing any real equity of access to services.” (Barry, Frank, & McGuire, 2006). Sadly, cost is usually the deciding factor in policy making, “Policymakers and others have often argued that mental health care should not be covered because it is "too costly." (Barry, Frank, & McGuire, 2006). In this care the welfare of the target population falls second. Understandably there has to be funding to support programs and treatment but cutting costs by denying those in need due to the nature of their illness is not the answer. There are other ways to assess the limitations of the Parity Act of 2008 and Parity policy in general. Some limitations expressed by Smaldone & Cullen-Drill are the fact that the laws to not apply to insurance policies provided by employers with less than 50 employees; making treatment coverage difficult for those working in small businesses, as well as the lack of coverage for supportive employment or psychosocial rehabilitation (Smaldone & Cullen-Drill, 2010). Other limitations and arguments against the Parity Act of 2008 would include the ability for health insurers to determine the conditions that they will cover and not cover therefore making treatment for certain diagnoses such as substance abuse unequal. Until there are parity laws that mandate full parity there will continue to be varying strengths and limitations to parity mental health coverage.

Interview

When examining mental health parity policy and the Parity Act of 2008 I wanted to get the personal and professional opinions of this policy from someone who works in the mental health field and with insurance companies. I chose to interview Mary Jo McCarthy-Taylor BSW, a discharge planner for a behavioral health unit. Her job entails setting up ongoing care and services for those being discharged from inpatient treatment. This means she must fully understand each patient’s health insurance coverage and resources available to that patient. When I asked her opinion on mental health parity and specifically the Parity Act of 2008 she expressed full support of this policy. She is a strong believer in equal coverage for patients with mental illness and substance abuse disorders and she feels that there is still not nearly enough coverage, funding and availability to services and treatment for most. She explained parity policy as a “step in the right direction” and expressed her concern for those who are still uninsured and specifically those who are uninsured due to unemployment which is an enormous concern in today’s society. Mary Jo expresses the importance of ongoing care without limitations, which include limits on number of lifetime days or frequency of treatment. Without ongoing care and the accessibility to treatment when as needed many patients will continue to be shuffled in and out of treatment while racking up massive medical bills. Overall Mary Jo agrees that treatment coverage should not be limited because of the nature of the illness; disorders and disease of the body and mind should be treated equally. She feels that today’s society is much more accepting of mental illness and substance abuse and with this decreasing stigma there is hope for improvements in the mental health field.

Conclusion

Health coverage has been a concern for centuries, specifically mental health coverage. Throughout history mental health and substance abuse coverage was very limited and often was not included in insurance coverage. Many policies and laws have been put into place to address this issue only to be amended in the following years. The Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act which would come to be known at the Parity Act of 2008 has laid the floor for the parity of mental health coverage at the federal level. There are numerous strengths and limitations to this policy as well as supporters and non-supporters but ultimately this policy has yielded a positive result. Many in need of mental health and substance abuse treatment now have equal coverage through their employers which has resulted in an increase in those seeking out and receiving the care that they need. With a growing awareness of mental illness and substance abuse and continuous support for related policy, the future for the part of the population who suffer from these diagnoses will be hopeful.

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