

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672

2592 SCOMM 112: AK TASK FORCE ON PARITY FOR MENTAL HEALTH, 1998

Based upon an analysis using generally accepted actuarial practices, the total impact of the proposed Arizona mental health and substance abuse parity bill is equal to 3.2% of current employer claims or about \$3.90 per member per month. However, the employer will respond in various ways to partially offset any potential cost increases. Therefore, the expected employer contributions for health costs will rise about 1.3% or \$1.56 per member per month. Assuming an average of 3 members per family this translates into an equivalent wage increase of \$.027 per hour.

Appendix A

Additional Information on Parity Options

I. Partial Parity

A. Parity for Day and Visit Limits

Partial parity is a term that describes incremental reform proposals to improve mental health and chemical dependency benefits. Proposals that move mental health and chemical dependency coverage closer to full parity with medical care coverage are referred to as partial parity. For example, the recently passed federal legislation, the Mental Health Parity Act of 1996, made equal the use of lifetime and annual limits. The partial parity proposal priced in this paper requires that inpatient day and visit limits for medical and mental health and substance abuse coverage be equal. There are usually no such coverage limits on members who access medical inpatient and outpatient services.

Sample legislative language for partial parity would include the following:

1. If a plan does not include a day limit or a visit limit on substantially all medical and surgical benefits, the plan or coverage may not impose any day limit or any visit limit on mental health and substance abuse benefits.
2. If a plan or coverage includes a day limit or a visit limit on substantially all medical and surgical benefits, the plan or coverage shall either:
 - a. apply the applicable day limit or visit limit both to the medical and surgical benefits to which it otherwise would apply and to mental health and substance abuse benefits and not distinguish in the application of such limits between such medical and surgical benefits and mental health and substance abuse benefits; or
 - b. not include any day limit or any visit limit on mental health and substance abuse benefits that is less than the applicable day limit or visit limit for medical and surgical benefits.

B. Parity for Out-of-Pocket Costs

Another approach to partial parity follows the development of coverage for high cost medical illness. Insurance contracts are financial vehicles that are designed to lessen the impact of medical costs. Therefore, the issue of severity is addressed for medical care on the basis of finances rather than diagnosis by limiting the maximum out-of-pocket costs required of a covered individual. Under most traditionally designed (non-HMO) plans, the insurance plan pays 100% of eligible expenses after a front-end deductible (\$250) and \$1,000 of patient costsharing in a given calendar year. Many HMO plan designs have no maximum out-of-pocket limits because the copayments are minimal (i.e. \$10 per office visit).

II. Interim Report to Congress by the National Advisory Mental Health Council

A report entitled "Parity in Coverage of Mental Health Services in an Era of Managed Care" is a product of the Department of Health and Human Services, the National Institutes of Health and the National Institute of Mental Health. This report is an interim report to Congress by the National Advisory Mental Health council. The study's major findings are:

"1. Based upon empirical studies and economic simulations across diverse populations, managed care approaches, and parity structures suggest that the introduction of parity in combination with managed care results in lowered costs and lowered premiums (or, at most, very modest cost increases) within the first year of parity implementation.

2. These findings do not support earlier concern about potentially high financial costs caused by parity. Prior estimates were based on fee-for-service (FFS) models that are no longer valid for a market dominated by managed care and likely to become even more so."

A. Texas

On September 1, 1992, the State of Texas implemented legislation requiring parity in mental health insurance coverage for State and local government employees. Parity was also required for the treatment of chemical dependency. Experience for 170,000 members in managed FFS/PPO/POS (non-HMO) coverage for the years 1992 through 1995 shows a 47.9% decrease in the cost of care for mental health and chemical dependency.

B. Maryland

On July 1, 1995, the State of Maryland implemented parity legislation that applied to all insurers. The legislation applied to those mental health and addictive disorders determined to be medically necessary and treatable. After parity was instituted, a small increase was observed in the number of inpatient admissions per 1000; that increase was more than offset by a more significant decrease in the average length of inpatient stays. Outpatient visits decreased as much as 9%, although isolated instances of increased outpatient utilization were seen.

For one insurer, the proportion of the total medical premium attributable to the mental health benefit actually decreased by 0.2 percent after the implementation of full parity. A second managed care company with extensive experience in Maryland subsequently confirmed that their average expense per member per month increased by less than 1.0 percent during the first 7 months after full implementation of parity.

Since 1992 when parity was established and a single deductible was implemented, mental health payments as a portion of total health payments decreased from 6.4% to 3.4% of total health care costs for the fiscal year ending June 30, 1996. Mental health payments (excluding chemical dependency) have decreased under the State Health Plan from \$6.49 PMPM in 1992 to \$4.06 PMPM in 1996. Clearly, North Carolina is a different state and population. However, the impact on costs to the state plan should be a strong indicator that fears of large cost impacts are unfounded. It is typical that actual experience achieved through plan design changes is lower than conservative actuarial analysis.

A 3 missing

Appendix B

Alternative Language for Serious Mental Illness (SMI) Parity

Arizona is not proposing SMI parity coverage. This appendix is presented to provide additional details on the definitions used for SMI parity. SMI is not common, but it is frequently a part of any mental health parity debate. Costs for SMI are shown only in anticipation of that discussion. Problems associated with "diagnosis creep" and the lack of savings relative to full and comprehensive parity led the national proposal by Senators Domenici and Wellstone away from SMI.

The C&L model most closely follows the National Advisory Mental Health Council (NAMHC) definition of *severe* mental illness. For purpose of this analysis, serious mental illness and severe mental illness are used as comparable. This is because the best data available on SMI analysis is developed under the NAMHC definition. The definition of serious mental illness is important because substantially greater benefits are paid as a result of a professionally rendered diagnosis.

A. National Advisory Mental Health Council

Coopers & Lybrand conducted analyses of parity language for serious mental illness during national debates on health care. Senator Domenici attempted to define serious mental illness following the language developed by the National Advisory Mental Health Council. Some of the statistical basis of the actuarial work presented in this document is developed from the National Advisory Mental Health Council definition of SMI. C&L uses this definition for statistical analysis because it allows consistent use of existing data.

Severe mental illness is defined through diagnosis, disability, and duration, and includes disorders with psychotic symptoms such as schizophrenia, schizoaffective disorder, manic depressive disorder, autism, as well as severe forms of other disorders such as major depression, panic disorder, and obsessive compulsive disorder.

B. Expanded SMI Language for Children

The following definition for severe mental illness establishes parity language that includes diagnoses for illness that inflict children.

The term "severe mental illness" means an illness that is defined through diagnosis, disability and duration, and includes disorders with psychotic symptoms such as schizophrenia, schizoaffective disorder, bipolar disorder, dementia, autism, and other pervasive developmental disorders, as well as severe forms of other disorders such as major depression, panic disorder, obsessive compulsive disorder, multiple personality disorder, anorexia nervosa, bulimia, learning disorder associated with brain damage, phobia associated with significant functional impairment, and disruptive behavior disorders of childhood, as determined by the Secretary of Health and Human Services.

C. United States Substance Abuse and Mental Health Services Administration

The Center for Mental Health Services also established definitions for children and adults with "serious emotional disturbance" and "serious mental illness", respectively. States use these definitions to include incidence and prevalence estimates of the two populations as part of a State application for a Community Mental Health Services Block Grant awards. The definitions are:

A. Children with a serious emotional disturbance are persons:

1. from birth up to age 18,
2. who currently or at any time during the past year,
3. have had a diagnosable mental, behavioral, or emotional disorder of sufficient duration to meet diagnostic criteria specified within DSM-III-R,
4. that resulted in functional impairment which substantially interferes with or limits the child's role or functioning in family, school, or community.

B. Adults with serious mental illness are persons:

1. age 18 and over,
2. who currently or at any time during the past year,
3. have had a diagnosable mental, behavioral, or emotional disorder of sufficient duration to meet diagnostic criteria specified within DSM-III-R,
4. that has resulted in functional impairment which substantial interferes with or limits one or more major life activities.

These definitions were adopted by the Substance Abuse and Mental Health Services Administration (SAMHSA) and published in the Federal Register on May 20, 1993. This language was proposed by the mental health community as an amendment to the Domenici-Wellstone Amendment in 1996. Severe and/or serious mental health definitions never became a part of the Domenici-Wellstone Amendment or the Mental Health Parity Act of 1996.

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ARKANSAS

Info from
Ron Bachman

Arkansas Mental Health Parity Work Group

Sample Agenda

A. The Problem

1. Presenters

- a. MH Patients
- b. Parents/Family members of Patients
- c. State MH Agencies

2. Issues

- a. Financial Impact on Individual/Family
- b. Impact on care/treatment/cure
- c. Impact on State/County/Local public sector MH programs

B. Treatment Efficacy

1. Presenters

- a. Practicing psychiatrists
- b. Practicing psychologists
- c. Researchers - NIMH/Local Teaching Hospitals/BJC

2. Issues

- a. Changes in inpatient/outpatient care
- b. The continuum of care options
- c. Efficacy/Outcomes

C. The Costs

1. Presenters

- a. C&L Actuary
- b. M&R Actuary
- c. BCBS of Arkansas Actuary

2. Issues

- a. Current costs
- b. Projected costs
- c. Arkansas specific data and National studies
- d. Experience of other states/employers with MH parity
- e. Price options that may be considered from partial parity to comprehensive parity

D. Risk Assumption

1. Presenters

- a. Insurance Company - HIAA
- b. HMO Company - AARP
- c. BCBS of Arkansas
- d. MBHO - Value Behavior Health/Merit/Other

2. Issues

- a. Issues of risk assumption
- b. Managed care controls
- c. Case management

E. Business Concerns

1. Presenters

- a. Small business - NFIB
- b. Other business - Chamber of Commerce
- c. Employer with low/no MH coverage
- d. Employer with high/parity MH coverage
- e. ERISA plan HR manager - Tysons/Walmart
- f. Economist

2. Issues

- a. Mandated coverage
- b. Cost concerns
- c. Impact on coverage of Health care
- d. Uninsured
- e. Unemployment
- f. Small business impact

F. Solutions/Options - Work Group closed session (price final outcome)

G. Legislation - as/if appropriate

NORTH
CAROLINA

**NC Comprehensive
Major Medical Plan
for Teachers and
State Employees**

Data on the **Mental Health Benefit**

Since 1992, the State Health Plan has provided mental health benefits at the same levels as physical health benefits in a managed environment through a contract with Value Behavioral Health. Using the current structure, a very affordable and cost-contained mental health benefit has been achieved. All data about the State Health Plan has to be framed within the broader benefit structure, i.e. that a very affordable and cost-contained mental health benefit has been achieved:

1. with full coverage parity with non-mental health conditions (since 1992),
2. with no separate additional deductible for mental health services,
3. with full freedom-of-choice of mental health providers,
4. with only moderate management of generous benefits when compared to other typical mental health plans, and
5. with a broad demographic and large number of covered lives (400,075).

KEY DATA POINTS INCLUDE:

1. Contrary to broad insurance industry attributions about "skyrocketing" mental health costs relative to the overall health benefit payments (e.g. double-digit 10-15% of payouts), the State Health Plan has consistently had mental health expenses considerably lower. Figures since 1989 have ranged from 7.1% downward for mental health as a portion of total payouts.
2. Since parity was established (1992) and a single insurance deductible implemented in 1992, mental health payments as a portion of total health payments decreased from 6.4% to 3.4% which is a 47% cumulative reduction for the fiscal year ending June, 1996.

3. Utilization patterns remain constant and at a very modest level for outpatient over the years:

- 6-7% seek out-patient services in any year
- Half of the people using services go for only 4-5 sessions and three-quarters of the people seeking services complete treatment within 11-13 sessions
- Over the span of several years, the percentage of people utilizing more extended outpatient services (utilization > 26) has remained constant and extremely low (0.40-0.75%)

4. Since 1992, hospital days paid by the Plan have been reduced by 64%.
5. Within a parity benefit, mental health payments, expressed as a monthly cost per covered life, have been extremely reasonable and very well cost contained. The cost per life per month for the year ending June, 1997, was \$4.54 (including the cost of administrative overhead). This figure is lower than in June, 1990, even without adjustment for inflation.
6. These actual utilization/cost figures compare favorably with actuarial projected figures generated by Coopers and Lybrand for the NC Health Planning Commission for a variety of benefits structure scenarios including versions similar to the State Health Plan. Coopers and Lybrand mental health cost data was itself viewed quite favorably by the Benefits Committee, which included members from the business sector.

NC COMPREHENSIVE MAJOR MEDICAL PLAN FOR TEACHERS AND STATE EMPLOYEES

Mental Health Costs

Fiscal Year Ending

	June-87	June-88	June-89	June-90	June-91 (Full MH Mgmt)	June-92 (No Outpatient Cap or MH Mgmt)	June-93	June-94
TOTAL: Actives & Dependents	202,572	305,824	322,627	322,900	322,088	330,813	351,189	341,098
TOTAL: Covered Lives	393,965	404,210	415,225	412,529	409,302	415,302	433,009	420,184
Total Mental Health Payments	\$19,008,825	\$19,938,876	\$20,424,916	\$23,138,778	\$25,812,004	\$32,361,152	\$30,839,831	\$27,914,870
— Total Payments PMPY*	\$48.25	\$49.32	\$49.19	\$56.09	\$62.57	\$77.92	\$71.19	\$66.43
— Total Payments PMPM*	\$4.02	\$4.11	\$4.10	\$4.67	\$5.21	\$6.49	\$5.93	\$5.54
— % of Total of all Medical Claims Paid	3.3%	3.4%	3.7%	4.5%	5.2%	6.4%	6.1%	6.6%
Total Administrative Payments	\$2,452,923	\$2,493,405	\$2,476,755	\$2,404,000	\$2,273,682			
— Total Payments PMPY	\$6.23	\$6.23	\$5.96	\$5.72	\$5.56			
— Total Payments PMPM	\$0.52	\$0.52	\$0.50	\$0.48	\$0.46			
Breakdown of Cost Per Member Per Month								
— Mental Health PMPM	\$4.02	\$4.11	\$4.10	\$4.67	\$5.21			
— Administrative PMPM	\$0.52	\$0.52	\$0.50	\$0.48	\$0.46			
Total Cost Per Member Per Month	\$4.54	\$4.61	\$4.60	\$5.15	\$5.67	\$6.49	\$5.93	\$5.54

*Note: PMPY and PMPM - Is actually per covered life per year or per month

Prepared by NC Psychological Association from data supplied by the NC State Health Plan Office

5/98

NC COMPREHENSIVE MAJOR MEDICAL PLAN FOR TEACHERS AND STATE EMPLOYEES

Mental Health Experience (Excluding Substance Abuse) Inpatient/Outpatient Data

Fiscal Year Ending

	FY 6/97	FY 6/96	FY 6/95	FY 6/94	FY 6/93	FY 6/92	FY 6/91	FY 6/90
<u>Inpatient (Actives & Dependents Only)</u>								
# of Admissions	781	878	971	1,092	1,142	1,276	1,403	1,387
Adm/10,000	28.7	28.8	30.3	34.1	35.5	38.2	39.5	39.8
Days/10,000	289.8	308.5	318.9	381.8	484.9	807.1	859.8	917.9
ALOS	10.1	10.8	10.5	11.5	13.7	21.1	21.7	23.1
ALOS (outliers greater than 50 days excluded)	(10.1)	(8.3)	(9.2)	(10.8)	(12.2)			
<u>Outpatient (Actives & Dependents Only)</u>								
Patients	20,113	20,519	20,582	19,874	19,659	20,520	21,082	18,913
Patients as %	6.8%	6.7%	6.4%	6.1%	6.1%	6.1%	6.0%	5.8%
Visits	180,868	179,225	172,684	185,866	193,601	217,944	212,812	192,488
Visits/1000 members	549	551	539	557	602	653	609	567
Visits/Patient								
- Median	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0
- 75th Percentile	11.0	11.0	12.0	13.0	13.0	13.0	14.0	14.0
- Mean	8.0	8.3	8.5	9.2	9.8	10.8	10.1	10.2
<u>Utilization > 26 Visits</u>								
- # of patients	1,203	1,216	1,508	1,842	1,842	2,482	2,499	2,173
- % of patients	6.0%	5.9%	7.3%	9.3%	9.4%	12.1%	11.8%	11.5%
- % of covered lives	0.41%	0.40%	0.47%	0.51%	0.57%	0.75%	0.71%	0.64%

Prepared by NC Psychological Association from data supplied by the NC State Health Plan Office

5/98

MAINE

APPROVED

CHAPTER

JUL 3 95

407

STATE OF MAINE BY GOVERNOR

PUBLIC LAW

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-FIVE

H.P. 432 - L.D. 595

An Act Regarding Insurance Coverage for Mental Illness

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 24 MRSA §2325-A, sub-§5-C, as amended by PL 1995, c. 19, §1, is repealed and the following enacted in its place:

5-C. Coverage for treatment for certain mental illnesses. Coverage for medical treatment for mental illnesses listed in paragraph A is subject to this subsection.

A. All group contracts must provide, at a minimum, benefits according to paragraph B, subparagraph (1) for a person receiving medical treatment for any of the following mental illnesses diagnosed by a licensed allopathic or osteopathic physician:

- (1) Schizophrenia:
- (2) Bipolar disorder:
- (3) Pervasive developmental disorder, or autism:
- (4) Paranoia:
- (5) Panic disorder:
- (6) Obsessive-compulsive disorder: or
- (7) Major depressive disorder.

B. All policies, contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State on or after July 1, 1996 must provide benefits that meet the requirements of this paragraph. For purposes of this paragraph, all contracts are deemed renewed no later than the next yearly anniversary of the contract date.

(1) The contracts must provide benefits for the treatment and diagnosis of mental illnesses under terms and conditions that are no less extensive than the benefits provided for medical treatment for physical illnesses.

(2) At the request of a nonprofit hospital or medical service organization, a provider of medical treatment for mental illness shall furnish data substantiating that initial or continued treatment is medically necessary and appropriate. When making the determination of whether treatment is medically necessary and appropriate, the provider shall use the same criteria for medical treatment for mental illness as for medical treatment for physical illness under the group contract.

This subsection does not apply to policies, contracts and certificates covering employees of employers with 20 or fewer employees, whether the group policy is issued to the employer, to an association, to a multiple-employer trust or to another entity.

This subsection may not be construed to allow coverage and benefits for the treatment of alcoholism or other drug dependencies through the diagnosis of a mental illness listed in paragraph A.

Sec. 2. 24 MRSA §2325-A, sub-§5-D is enacted to read:

5-D. Mandated offer of coverage for certain mental illnesses. Except as otherwise provided, coverage for medical treatment for mental illnesses listed in paragraph A by all individual and group nonprofit hospital and medical services organization health care plan contracts is subject to this subsection.

A. All individual and group contracts must make available coverage providing, at a minimum, benefits according to paragraph B, subparagraph (1) for a person receiving medical treatment for any of the following mental illnesses diagnosed by a licensed allopathic or osteopathic physician:

- (1) Schizophrenia:
- (2) Bipolar disorder:
- (3) Pervasive developmental disorder, or autism:
- (4) Paranoia:
- (5) Panic disorder:
- (6) Obsessive-compulsive disorder; or
- (7) Major depressive disorder.

B. Every nonprofit hospital and medical services organization and nonprofit health care plan must make available coverage in all individual and group policies, contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State on or after July 1, 1996 that provides benefits meeting the requirements of this paragraph. For purposes of this paragraph, all contracts are deemed renewed no later than the next yearly anniversary of the contract date.

(1) The offer of coverage must provide benefits for the treatment and diagnosis of mental illnesses under terms and conditions that are no less extensive than the benefits provided for medical treatment for physical illnesses.

(2) At the request of a nonprofit hospital or medical service organization, a provider of medical treatment for mental illness shall furnish data substantiating that initial or continued treatment is medically necessary and appropriate. When making the determination of whether treatment is medically necessary and appropriate, the provider shall use the same criteria for medical treatment for mental illness as for medical treatment for physical illness under the individual or group contract.

This subsection may not be construed to allow coverage and benefits for the treatment of alcoholism or other drug dependencies through the diagnosis of a mental illness listed in paragraph A.

Sec. 3. 24 MRSA §2325-A, sub-§8, as enacted by PL 1983, c. 515, §4, is amended to read:

8. Reports to the Superintendent of Insurance. Every nonprofit hospital or medical service organization subject to this section shall report its experience for each calendar year beginning--with--1984 to the superintendent not later than April 30th of the following year. The report shall ~~shall~~ must be in a form prescribed by the superintendent and shall include the amount of claims paid in this State for the services required by this section and the total amount of claims paid in this State for group health care contracts, both separated between those paid for inpatient, day treatment and outpatient services. The superintendent shall compile this data for all nonprofit hospital or medical service organizations in an annual report.

Sec. 4. 24 MRSA §2325-A, sub-§9, as amended by PL 1993, c. 586, §2, is repealed.

Sec. 5. 24-A MRSA §2749-C is enacted to read:

§2749-C. Mandated offer of coverage for certain mental illnesses

1. Coverage for treatment for certain mental illnesses. Coverage for medical treatment for mental illnesses listed in paragraph A by all individual policies is subject to this section.

A. All individual policies must make available coverage providing, at a minimum, benefits according to paragraph B, subparagraph (1) for a person receiving medical treatment for any of the following mental illnesses diagnosed by a licensed allopathic or osteopathic physician:

(1) Schizophrenia:

(2) Bipolar disorder:

(3) Pervasive developmental disorder, or autism:

(4) Paranoia:

(5) Panic disorder:

(6) Obsessive-compulsive disorder; or

(7) Major depressive disorder.

B. All individual policies and contracts executed, delivered, issued for delivery, continued or renewed in this State on or after July 1, 1996 must make available coverage providing benefits that meet the requirements of this paragraph. For purposes of this paragraph, all contracts

are deemed renewed no later than the next yearly anniversary of the contract date.

(1) The offer of coverage must provide benefits for the treatment and diagnosis of mental illnesses under terms and conditions that are no less extensive than the benefits provided for medical treatment for physical illnesses.

(2) At the request of a reimbursing insurer, a provider of medical treatment for mental illness shall furnish data substantiating that initial or continued treatment is medically necessary and appropriate. When making the determination of whether treatment is medically necessary and appropriate, the provider shall use the same criteria for medical treatment for mental illness as for medical treatment for physical illness under the individual policy.

This subsection may not be construed to allow coverage and benefits for the treatment of alcoholism or other drug dependencies through the diagnosis of a mental illness listed in paragraph A.

2. Contracts: providers. Subject to approval by the superintendent pursuant to section 2305, an insurer incorporated under this chapter shall offer contracts to providers authorizing the provision of mental health services within the scope of the provider's licensure.

3. Limits: coinsurance: deductibles. A policy or contract that provides coverage for the services required by this section may contain provisions for maximum benefits and coinsurance and reasonable limitations, deductibles and exclusions to the extent that these provisions are not inconsistent with the requirements of this section.

4. Reports to the superintendent. Every insurer subject to this section shall report its experience for each calendar year to the superintendent no later than April 30th of the following year. The report must be in a form prescribed by the superintendent and include the amount of claims paid in this State for the services required by this section and the total amount of claims paid in this State for individual health care policies, both separated according to those paid for inpatient, day treatment and outpatient services. The superintendent shall compile this data for all insurers in an annual report.

5. Application. Except as otherwise provided, the requirements of this section apply to all policies and contracts

executed, delivered, issued for delivery, continued or renewed in this State on or after July 1, 1996. For purposes of this section, all policies are deemed renewed no later than the next yearly anniversary of the contract date. Nothing in this section applies to accidental injury, specified disease, hospital indemnity, Medicare supplement, long-term care or other limited benefit health insurance policies.

..Sec. 6. 24-A MRSA §2843, sub-§5-C, as amended by PL 1995, c. 19, §1, is repealed and the following enacted in its place:

5-C. Coverage for treatment for certain mental illnesses. Coverage for medical treatment for mental illnesses listed in paragraph A is subject to this subsection.

A. All group contracts must provide, at a minimum, benefits according to paragraph B, subparagraph (1) for a person receiving medical treatment for any of the following mental illnesses diagnosed by a licensed allopathic or osteopathic physician:

- (1) Schizophrenia;
- (2) Bipolar disorder;
- (3) Pervasive developmental disorder, or autism;
- (4) Paranoia;
- (5) Panic disorder;
- (6) Obsessive-compulsive disorder; or
- (7) Major depressive disorder.

B. All policies, contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State on or after July 1, 1996 must provide benefits that meet the requirements of this paragraph. For purposes of this paragraph, all contracts are deemed renewed no later than the next yearly anniversary of the contract date.

(1) The contracts must provide benefits for the treatment and diagnosis of mental illnesses under terms and conditions that are no less extensive than the benefits provided for medical treatment for physical illnesses.

(2) At the request of a nonprofit hospital or medical service organization, a provider of medical treatment

for mental illness shall furnish data substantiating that initial or continued treatment is medically necessary and appropriate. When making the determination of whether treatment is medically necessary and appropriate, the provider shall use the same criteria for medical treatment for mental illness as for medical treatment for physical illness under the group contract.

This subsection does not apply to policies, contracts and certificates covering employees of employers with 20 or fewer employees, whether the group policy is issued to the employer, to an association, to a multiple-employer trust or to another entity.

This subsection may not be construed to allow coverage and benefits for the treatment of alcoholism or other drug dependencies through the diagnosis of a mental illness listed in paragraph A.

Sec. 7. 24-A MRSA §2843, sub-§5-D is enacted to read:

5-D. Mandated offer of coverage for certain mental illnesses. Except as otherwise provided in subsection 5-C, coverage for medical treatment for mental illnesses listed in paragraph A by all group contracts is subject to this subsection.

A. All group contracts must make available coverage providing, at a minimum, benefits according to paragraph B, subparagraph (1) for a person receiving medical treatment for any of the following mental illnesses diagnosed by a licensed allopathic or osteopathic physician:

(1) Schizophrenia:

(2) Bipolar disorder:

(3) Pervasive developmental disorder, or autism:

(4) Paranoia:

(5) Panic disorder:

(6) Obsessive-compulsive disorder: or

(7) Major depressive disorder.

B. All group policies, contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State on or after July 1, 1996 must make available coverage providing benefits that meet the requirements of this

paragraph. For purposes of this paragraph, all contracts are deemed renewed no later than the next yearly anniversary of the contract date.

(1) The offer of coverage must provide benefits for the treatment and diagnosis of mental illnesses under terms and conditions that are no less extensive than the benefits provided for medical treatment for physical illnesses.

(2) At the request of a reimbursing insurer, a provider of medical treatment for mental illness shall furnish data substantiating that initial or continued treatment is medically necessary and appropriate. When making the determination of whether treatment is medically necessary and appropriate, the provider shall use the same criteria for medical treatment for mental illness as for medical treatment for physical illness under the group contract.

This subsection may not be construed to allow coverage and benefits for the treatment of alcoholism and other drug dependencies through the diagnosis of a mental illness listed in paragraph A.

Sec. 8. 24-A MRSA §2843, sub-§7, as enacted by PL 1983, c. 515, §6, is amended to read:

7. Reports to the Superintendent of Insurance. Every insurer subject to this section shall report its experience for each calendar year ~~beginning with 1984~~ to the superintendent not later than April 30th of the following year. The report shall ~~must~~ be in a form prescribed by the superintendent and shall include the amount of claims paid in this State for the services required by this section and the total amount of claims paid in this State for group health care contracts, both separated between those paid for inpatient, day treatment and outpatient services. The superintendent shall compile this data for all insurers in an annual report.

Sec. 9. 24-A MRSA §2843, sub-§8, as amended by PL 1993, c. 586, §4, is repealed and the following enacted in its place:

8. Application. This section does not apply to accidental injury, specified disease, hospital indemnity, Medicare supplement, long-term care or other limited benefit health insurance policies.

Sec. 10. 24-A MRSA §4234-A is enacted to read:

§4234-A. Mental health services coverage

1. Findings. The Legislature finds that:

A. Mental illness affects nearly 170,000 people of this State each year, resulting in anguish, grief, desperation, fear, isolation and a sense of hopelessness of significant levels among victims and families;

B. Consequences of mental illness include the expenditure of millions of dollars of public funds for treatment and losses of millions of dollars by businesses in the State in accidents, absenteeism, nonproductivity and turnover. Excessive stress and anxiety and other forms of mental illness clearly contribute to general health problems and costs;

C. Typical health coverage in this State discriminates against mental illness, the victims and affected families with nonexistent or limited benefits compared to provisions for other illnesses; and

D. Experience in this State and several other states demonstrates that the risk of mental illness can be insured at reasonable cost and with adequate controls on quality and utilization of treatment.

2. Policy and purpose. The Legislature declares that it is the policy of this State to:

A. Promote equitable and nondiscriminatory health coverage benefits for all forms of illness including mental and emotional disorders that are of significant consequence to the health of people of the State and that can be treated in a cost-effective manner;

B. Ensure that victims of mental and other illnesses have access to and choice of appropriate treatment at the earliest point of illness in the least restrictive settings;

C. Ensure that costs of treatment of mental illness are supported through an equitable combination of public and private responsibilities; and

D. Ensure that the Legislature reasonably exercises its legal responsibility for insurance policy in this State by prescribing types of illnesses and treatment for which benefits must be provided.

3. Definitions. For purposes of this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Day treatment services" includes psychoeducational, physiological, psychological and psychosocial concepts, techniques and processes necessary to maintain or develop functional skills of clients, provided to individuals and groups for periods of more than 2 hours but less than 24 hours a day.

B. "Inpatient services" includes a range of physiological, psychological and other intervention concepts, techniques and processes used in a community mental health psychiatric inpatient unit, general hospital psychiatric unit or psychiatric hospital licensed by the Department of Human Services or in an accredited public hospital to restore psychosocial functioning sufficient to allow maintenance and support of the client in a less restrictive setting.

C. "Outpatient services" includes screening, evaluation, consultations, diagnosis and treatment involving use of psychoeducational, physiological, psychological and psychosocial evaluative and interventive concepts, techniques and processes provided to individuals and groups.

D. "Person suffering from a mental or nervous condition" means a person whose psychobiological processes are impaired severely enough to manifest problems in the area of social, psychological or biological functioning. Such a person has a disorder of thought, mood, perception, orientation or memory that impairs judgment, behavior, capacity to recognize or ability to cope with the ordinary demands of life. The person manifests an impaired capacity to maintain acceptable levels of functioning in the area of intellect, emotion or physical well-being.

E. "Provider" means an individual included in Title 24, section 2303, subsection 2, a licensed physician, an accredited public hospital or psychiatric hospital or a community agency licensed at the comprehensive service level by the Department of Mental Health and Mental Retardation. All agency or institutional providers named in this paragraph shall ensure that services are supervised by a psychiatrist or licensed psychologist.

4. Requirement. Every health maintenance organization that issues individual or group health care contracts providing coverage for hospital care to residents of this State shall provide benefits as required in this section to any subscriber or

other person covered under those contracts for conditions arising from mental illness.

5. Services. Each individual or group contract must provide, at a minimum, the following benefits for a person suffering from a mental or nervous condition:

A. Inpatient services:

B. Day treatment services; and

C. Outpatient services.

6. Coverage for treatment of certain mental illnesses. Coverage for medical treatment for mental illnesses listed in paragraph A is subject to this subsection.

A. All group contracts must provide, at a minimum, benefits according to paragraph B, subparagraph (1) for a person receiving medical treatment for any of the following mental illnesses diagnosed by a licensed allopathic or osteopathic physician:

(1) Schizophrenia:

(2) Bipolar disorder:

(3) Pervasive developmental disorder, or autism:

(4) Paranoia:

(5) Panic disorder:

(6) Obsessive-compulsive disorder; or

(7) Major depressive disorder.

B. All policies, contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State on or after July 1, 1996 must provide benefits that meet the requirements of this paragraph. For purposes of this paragraph, all contracts are deemed renewed no later than the next yearly anniversary of the contract date.

(1) The contracts must provide benefits for the treatment and diagnosis of mental illnesses under terms and conditions that are no less extensive than the benefits provided for medical treatment for physical illnesses.

(2) At the request of a reimbursing health maintenance organization, a provider of medical treatment for mental illness shall furnish data substantiating that initial or continued treatment is medically necessary and appropriate. When making the determination of whether treatment is medically necessary and appropriate, the provider shall use the same criteria for medical treatment for mental illness as for medical treatment for physical illness under the group contract.

This subsection does not apply to policies, contracts or certificates covering employees of employers with 20 or fewer employees, whether the group policy is issued to the employer, to an association, to a multiple-employer trust or to another entity.

This subsection may not be construed to allow coverage and benefits for the treatment of alcoholism and other drug dependencies through the diagnosis of a mental illness listed in paragraph A.

7. Mandated offer of coverage for certain mental illnesses. Except as provided in subsection 6, coverage for medical treatment for mental illnesses listed in paragraph A by all individual and group contracts is subject to this subsection.

A. All individual and group contracts shall make available coverage providing, at a minimum, benefits according to paragraph B, subparagraph (1) for a person receiving medical treatment for any of the following mental illnesses diagnosed by a licensed allopathic or osteopathic physician:

(1) Schizophrenia;

(2) Bipolar disorder;

(3) Pervasive developmental disorder, or autism;

(4) Paranoia;

(5) Panic disorder;

(6) Obsessive-compulsive disorder; or

(7) Major depressive disorder.

B. All individual and group policies, contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State on or after July 1, 1996 must make available coverage providing benefits that meet the requirements of this paragraph. For purposes of this

paragraph, all contracts are deemed renewed no later than the next yearly anniversary of the contract date.

(1) The offer of coverage must provide benefits for the treatment and diagnosis of mental illnesses under terms and conditions that are no less extensive than the benefits provided for medical treatment for physical illnesses.

(2) At the request of a reimbursing health maintenance organization, a provider of medical treatment for mental illness shall furnish data substantiating that initial or continued treatment is medically necessary and appropriate. When making the determination of whether treatment is medically necessary and appropriate, the provider shall use the same criteria for medical treatment for mental illness as for medical treatment for physical illness under the individual or group contract.

This subsection may not be construed to allow coverage and benefits for the treatment of alcoholism and other drug dependencies through the diagnosis of a mental illness listed in paragraph A.

8. Contracts: providers. Subject to approval by the superintendent pursuant to section 4204, a health maintenance organization incorporated under this chapter shall allow providers to contract, subject to the health maintenance organization's credentialing policy, for the provision of mental health services within the scope of the provider's licensure.

9. Limits: coinsurance: deductibles. A policy or contract that provides coverage for the services required by this section may contain provisions for maximum benefits and coinsurance and reasonable limitations, deductibles and exclusions to the extent that these provisions are not inconsistent with the requirements of this section.

10. Reports to the superintendent. Every health maintenance organization subject to this section shall report its experience for each calendar year to the superintendent no later than April 30th of the following year. The report must be in a form prescribed by the superintendent and include the amount of claims paid in this State for the services required by this section and the total amount of claims paid in this State for individual and group health care contracts, both separated according to those paid for inpatient, day treatment and outpatient services. The superintendent shall compile this data for all health maintenance organizations in an annual report.

11. Application. Except as otherwise provided, the requirements of this section apply to all policies, contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State on and after July 1, 1996. For purposes of this section, all contracts are deemed renewed no later than the next yearly anniversary of the contract date.

MISSOURI

**State of Missouri
Proposed
Mental Illness and Substance Abuse
Insurance Act**

Section 1. Short Title.- Sections 1 to 6 shall be known as the "Mental Health and Substance Abuse Insurance Act."

Section 2. Definitions.- For the purposes of sections 1 to 6 the following terms shall mean:

- (1) "Director", the director of the department of insurance of this state;
- (2) "Health insurance policy" or "policy", all group health insurance policies providing coverage on an expense-incurred basis, all group service or indemnity contracts issued by a not for profit health services corporation, all self-insured group health benefit plans of any type or description to the extent that regulation of such plans is not preempted by federal law, and all such health insurance policies or contracts that are individually underwritten or provide such coverage for specific individuals and members of their families as non-group policies, which provide hospital treatments. The term shall also include any group or individual contract issued by a health maintenance organization. The provisions of section 1 to 6 shall not apply to policies which provide coverage for a specified disease only, other than for mental illness or chemical dependency;
- (3) "Insurer", an entity licensed by the department of insurance to offer a health insurance policy;
- (4) "Mental illness", mental disorder and substance abuse in children and adults as follows:
 - (a) a child with a mental illness (including substance abuse) is a person from birth up to age 18, who has a diagnosable mental, behavioral or emotional disorder that is classified as an Axis I disorder and results in functional impairment which substantially interferes with or limits the child's role or functioning in family, school, or community activities. Axis I disorders shall be determined by the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association.
 - (b) an adult with a mental illness (including substance abuse) is a person age 18 or over, who has a diagnosable mental, behavioral or emotional disorder that is classified as an Axis I disorder and results in functional impairment which substantially interferes with or limits one or more of the adult's major life activities. Axis I disorders shall be determined by the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association.

(5) "Rate, term, or condition" means any lifetime limits, annual payment limits, episodic limits, inpatient or outpatient service limits, and out-of-pocket limits. This definition does not include deductibles, co-payments, or coinsurance prior to reaching any maximum out-of-pocket limit. Any out-of-pocket limit under a policy shall be comprehensive for coverage of mental illness and physical health conditions.

Section 3. Mental Illness Not a Mandated Benefit. Minimum Standard Provision. Insured Choice Available Within a Policy. -

(1) Nothing in this bill shall be construed as requiring the coverage of mental health and substance abuse.

(2) If any mental illness benefits are provided by the health insurance policy, the coverage provided shall not establish any rate, term, or condition that places a greater financial burden on an insured for access to evaluation and treatment for mental illness than for access to evaluation and treatment for a physical condition, generally.

(3) A health insurance policy shall be construed to be in compliance with this section if at least one choice for treatment of mental illness provided to the insured with the policy has rates, terms, and conditions that place no greater financial burden on the insured than for access to treatment of physical conditions, generally.

(4) The director may disapprove any policy that the director determines to be inconsistent with the purposes of this section.

Section 4. Allowance for Managing the Provision of Benefits. Provision for Medically Necessary and Clinically Appropriate Treatments. -

(1) Nothing in this bill shall be construed as:

(a) Requiring the same rates, terms, or conditions between treatments for mental illness and preventive care; or

(b) Prohibiting a health insurance policy from negotiating separate reimbursement rates and service delivery systems, such as but not limited to a mental health carve-out program; or

(c) Prohibiting a health insurance policy from managing the provision of benefits through common methods including but not limited to pre-admission screening, prior authorization of services, or other mechanisms designed to limit coverage to services for mental illness only to those that are deemed medically necessary and clinically appropriate.

(2) An insurer may use a case management program for mental illness benefits to evaluate and determine medically necessary and clinically appropriate care and treatment for each patient.

Section 5. Exceptions to the Provision for Parity for Certain Services. Waiver for Excessive Cost Impact on Employers.-

(1) The provisions of section 3 shall not be violated if the insurer decides to apply different limits or exclude entirely from coverage the following:

(a) Marital, family, educational, or training services unless medically necessary and clinically appropriate;

(b) Services rendered or billed by a school, halfway house, residential treatment facility or a member of any such entity's staff;

(c) Care that is substantially custodial in nature;

(d) Services and supplies that are not medically necessary nor clinically appropriate; or

(e) Treatments that are considered experimental.

(2) The director shall grant a policyholder a waiver from the provisions of Section 3 if the policyholder demonstrates to the director by actual experience over a 24 month period that compliance with sections 1 to 6 has increased the cost of the health insurance policy by an amount that results in a financial hardship to the policyholder.

Section 6. Effective Date. Department to Conduct Experience Study. Sunset Provision.-

(1) The provisions of Sections 1-6 apply to applications for coverage made on or after January 1, 2000, and to health insurance policies issued or renewed on or after such date to residents of this state. Multi-year group policies need not comply until the expiration of their current multi-year term unless the policyholder elects to comply before that time.

(2) The director shall perform a study to assess the impact of the Mental Health and Substance Abuse Insurance Act on insurers, business interests, providers, and consumers of mental illness treatment services. The director shall report the findings of this study to the general assembly by January 1, 2004.

(3) Unless renewed by actions of the state legislature and the governor, this act shall be inactive as of 1/1/2005.

Section 7. Compliance of Policies Covering State Employees.

(1) Notwithstanding the provisions of sections 1 to 6, all health insurance policies which cover state employees including the Missouri Consolidated Health Care Plan shall include coverage for mental illness.

Multi-stage Screening Requirements for Coverage of MH/SA Catastrophic Insurance Parity Legislation

I. Definition of Mental illness

- 1. Diagnostic and Statistical Manual of Mental Disorders (DSM-IV)**
- 2. Limited to Axis I**
- 3. Axis I includes requirement for functional disablement**
- 4. Missouri definition includes additional functional disability requirements.**

II. Medically Necessary and Clinically Appropriate

III. Managed Care Provisions

- 1. Preadmission screening**
- 2. Continued Stay Reviews**
- 3. Discharge Planning**
- 4. Case Management**
- 5. Other mechanisms to assure medically necessary and clinically appropriate**

IV. Parity Provided Only Through Managed care Network

- 1. Compliance with at least one employee choice for treatment**

V. Specific Exclusions Allowed

- 1. Marital, family, educational or training services**
- 2. School, halfway house, residential treatment facility**
- 3. Custodial care**
- 4. Experimental**

Benefit Limitations Allowed

- 1. Mental illness need not be covered at all.**
- 2. Higher than physical conditions deductibles, coinsurance, and copayment amounts**
- 3. Need not cover out-of-network mental illness services on the same basis as out-of-network physical illnesses.**
- 4. Selected mental health services are specifically allowed to be excluded**

**THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES**

**State of Missouri
Proposed
Mental Illness and Substance Abuse
Insurance Act**

Section 1. Short Title.- Sections 1 to 6 shall be known as the "Mental Health and Substance Abuse Insurance Act."

Section 2. Definitions.- For the purposes of sections 1 to 6 the following terms shall mean:

- (1) **"Director"**, the director of the department of insurance of this state;
- (2) **"Health insurance policy" or "policy"**, all group health insurance policies providing coverage on an expense-incurred basis, all group service or indemnity contracts issued by a not for profit health services corporation, all self-insured group health benefit plans of any type or description to the extent that regulation of such plans is not preempted by federal law, and all such health insurance policies or contracts that are individually underwritten or provide such coverage for specific individuals and members of their families as non-group policies, which provide hospital treatments. The term shall also include any group or individual contract issued by a health maintenance organization. The provisions of section 1 to 6 shall not apply to policies which provide coverage for a specified disease only, other than for mental illness or chemical dependency;
- (3) **"Insurer"**, an entity licensed by the department of insurance to offer a health insurance policy;
- (4) **"Mental illness"**, mental disorder and substance abuse in children and adults as follows:
 - (a) a child with a mental illness (including substance abuse) is a person from birth up to age 18, who has a diagnosable mental, behavioral or emotional disorder that is classified as an Axis I disorder and results in functional impairment which substantially interferes with or limits the child's role or functioning in family, school, or community activities. Axis I disorders shall be determined by the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association.
 - (b) an adult with a mental illness (including substance abuse) is a person age 18 or over, who has a diagnosable mental, behavioral or emotional disorder that is classified as an Axis I disorder and results in functional impairment which substantially interferes with or limits one or more of the adult's major life activities. Axis I disorders shall be determined by the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association.

(5) "Rate, term, or condition" means any lifetime limits, annual payment limits, episodic limits, inpatient or outpatient service limits, and out-of-pocket limits. This definition does not include deductibles, copayments, or coinsurance prior to reaching any maximum out-of-pocket limit. Any out-of-pocket limit under a policy shall be comprehensive for coverage of mental illness and physical health conditions.

Section 3. Mental Illness Not a Mandated Benefit. Minimum Standard Provision. Insured Choice Available Within a Policy. -

- (1) Nothing in this bill shall be construed as requiring the coverage of mental health and substance abuse.
- (2) If any mental illness benefits are provided by the health insurance policy, the coverage provided shall not establish any rate, term, or condition that places a greater financial burden on an insured for access to evaluation and treatment for mental illness than for access to evaluation and treatment for a physical condition, generally.
- (3) A health insurance policy shall be construed to be in compliance with this section if at least one choice for treatment of mental illness provided to the insured with the policy has rates, terms, and conditions that place no greater financial burden on the insured than for access to treatment of physical conditions, generally.
- (4) The director may disapprove any policy that the director determines to be inconsistent with the purposes of this section.

Section 4. Allowance for Managing the Provision of Benefits. Provision for Medically Necessary and Clinically Appropriate Treatments. -

- (1) Nothing in this bill shall be construed as:
 - (a) Requiring the same rates, terms, or conditions between treatments for mental illness and preventive care; or
 - (b) Prohibiting a health insurance policy from negotiating separate reimbursement rates and service delivery systems, such as but not limited to a mental health carve-out program; or
 - (c) Prohibiting a health insurance policy from managing the provision of benefits through common methods including but not limited to pre-admission screening, prior authorization of services, or other mechanisms designed to limit coverage to services for mental illness only to those that are deemed medically necessary and clinically appropriate.
- (2) An insurer may use a case management program for mental illness benefits to evaluate and determine medically necessary and clinically appropriate care and treatment for each patient.

Section 5. Exceptions to the Provision for Parity for Certain Services. Waiver for Excessive Cost Impact on Employers.-

(1) The provisions of section 3 shall not be violated if the insurer decides to apply different limits or exclude entirely from coverage the following:

- (a) Marital, family, educational, or training services unless medically necessary and clinically appropriate;
- (b) Services rendered or billed by a school, halfway house, residential treatment facility or a member of any such entity's staff;
- (c) Care that is substantially custodial in nature;
- (d) Services and supplies that are not medically necessary nor clinically appropriate; or
- (e) Treatments that are considered experimental.

(2) The director shall grant a policyholder a waiver from the provisions of Section 3 if the policyholder demonstrates to the director by actual experience over a 24 month period that compliance with sections 1 to 6 has increased the cost of the health insurance policy by an amount that results in a financial hardship to the policyholder.

Section 6. Effective Date. Department to Conduct Experience Study. Sunset Provision.-

(1) The provisions of Sections 1-6 apply to applications for coverage made on or after January 1, 2000, and to health insurance policies issued or renewed on or after such date to residents of this state. Multi-year group policies need not comply until the expiration of their current multi-year term unless the policyholder elects to comply before that time.

(2) The director shall perform a study to assess the impact of the Mental Health and Substance Abuse Insurance Act on insurers, business interests, providers, and consumers of mental illness treatment services. The director shall report the findings of this study to the general assembly by January 1, 2004.

(3) Unless renewed by actions of the state legislature and the governor, this act shall be inactive as of 1/1/2005.

Section 7. Compliance of Policies Covering State Employees.

(1) Notwithstanding the provisions of sections 1 to 6, all health insurance policies which cover state employees including the Missouri Consolidated Health Care Plan shall include coverage for mental illness.

Multi-stage Screening Requirements for Coverage of MH/SA Catastrophic Insurance Parity Legislation

- I. Definition of Mental illness**
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- III. Managed Care Provisions**
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- V. Specific Exclusions Allowed**
 - 1. Marital, family, educational or training services
 - 2. School, halfway house, residential treatment facility
 - 3. Custodial care
 - 4. Experimental

Benefit Limitations Allowed

- 1. Mental Illness need not be covered at all.
- 2. Higher than physical conditions deductibles, coinsurance, and copayment amounts
- 3. Need not cover out-of-network mental illness services on the same basis as out-of-network physical illnesses.
- 4. Selected mental health services are specifically allowed to be excluded

NEW

HAMPSHIRE

3/10/94....5427s

SENATE BILL AMENDED BY THE SENATE

SB 767-FN

STATE OF NEW HAMPSHIRE

In the year of Our Lord
One Thousand Nine Hundred and Ninety-Four

AN ACT

relative to mental illness coverage under insurance policies.

Be it Enacted by the Senate and House of
Representatives in General Court convened:

1 New Chapter; Coverage for Certain Biologically-Based Mental Illnesses. Amend RSA by inserting after chapter 417-D the following new chapter:

CHAPTER 417-E

COVERAGE FOR CERTAIN BIOLOGICALLY-BASED MENTAL ILLNESSES

417-E:1 Coverage for Certain Biologically-Based Mental Illnesses.

I. For the purposes of this chapter "mental illness" means a clinically significant or psychological syndrome or pattern that occurs in a person and that is associated with present distress, a painful symptom or disability, impairment in one or more important areas of functioning, or with a significantly increased risk of suffering death, pain, disability, or an important loss of freedom.

II. Notwithstanding any other provision of law, each insurer that issues or renews any policy of group or blanket accident or health insurance and each hospital service corporation under RSA 419, medical service corporation under RSA 420 and health maintenance organization under RSA 420-B providing benefits for disease or sickness in the state of New Hampshire shall provide benefits for treatment and diagnosis of certain biologically-based mental illnesses under the same terms and conditions and

SENATE BILL AMENDED BY THE SENATE

SB 767-FN

- 2 -

which is no less extensive than coverage provided for any other type of health care for physical illness.

III. The following mental illnesses, as defined in the most current edition of the Diagnostic and Statistical Manual (DSM) of Mental Disorders published by the American Psychiatric Association, shall be covered under this section:

- (a) Schizophrenia.
- (b) Schizoaffective disorder.
- (c) Major depressive disorder.
- (d) Bipolar disorder.
- (e) Paranoia and other psychotic disorders.
- (f) Obsessive-compulsive disorder.
- (g) Panic disorder.
- (h) Pervasive developmental disorder or autism. -

IV. The benefits required under this section shall begin when benefits provided under RSA 415:18-a, 419:5-a, 420:5-a, and 420-B:8-b, as applicable are exhausted.

2 Applicability. This act shall be applicable to any health insurance contract, policy, certificate, or plan issued or renewed on or after January 1, 1995.

3 Effective Date. This act shall take effect January 1, 1995.

The following are the diagnostic codes for the diagnoses in NH SB767

<u>Diagnosis</u>	<u>ICD-9-CM¹</u>	<u>DSM-III-R²</u>
• Schizophrenia	all 295 codes	all 295 codes
• Schizoaffective disorder	295.7	295.7
• Major depressive disorder	296.2; 296.3; 296.82	296.2; 296.3; 311.00
• Bipolar disorder	296.0; 296.1; 296.4; 296.5; 296.6; 296.7; 296.8; 296.81; 296.9	296.4; 296.5; 296.6; 296.7; 301.13
• Paranoid and other Psychotic Disorders	296.9; 296.99; all 297 codes all 298 codes	297.1; 297.30; 298.80; 298.90
• Obsessive-Compulsive Disorder	300.3	300.30
• Panic Disorder	300.01	300.01; 300.21
• Pervasive Developmental Disorder, Autism	All 299 codes	299.00; 299.80

¹ World Health Organization: International Classification of Diseases, 9th revision

² Diagnostic and Statistical Manual of Mental Disorders, third edition revised

IF YOU ONLY WORK ON ONE AMI ISSUE IN 1993-94

PARITY IN HEALTH INSURANCE IN NH - THE TIME IS NOW!!

At the September Board meeting the Board voted to go for equal insurance coverage for biologically based mental illness in the NH Legislature. This "parity" with other physical illnesses is long overdue. The Clinton Plan does not promise parity until the year 2001 - WHAT THEY CALL FUTURE EQUALITY IS WHAT WE CALL CURRENT DISCRIMINATION. It is very important that you get involved in this legislative effort. And RIGHT NOW is the time to begin organizing in your Affiliate.

There are THREE THINGS YOU MUST DO IN ORDER TO BE READY TO ADVOCATE:

1. **SELECT A LOCAL PARITY LEADER OR TWO CO-LEADERS FOR YOUR AFFILIATE.** Some leaders have already agreed to coordinate the AMI campaign for equal coverage - their names are attached. The LOCAL PARITY LEADER will be the primary contact person between the AMI Legislative Committee and each affiliate. The LOCAL PARITY LEADER will receive phone calls from the Legislative Committee alerting them to hearings. The LOCAL PARITY LEADER will be the first caller in each affiliate's TELEPHONE TREE, and will have an extra supply of information materials on the PARITY LEGISLATION for local members and representatives. CALL PEGGY STRAW (9243069) OR THE AMI OFFICE (MIKE OR DEB) AND TELL US WHO YOUR PARITY LEADER(S) IS/ARE.
2. **GET YOUR TELEPHONE TREE UP AND RUNNING!** The tree should include all of your members who care about insurance equality, even if they don't attend your regular support group meetings. A telephone tree is fast, easy, and cheap way to reach your members, BUT IT TAKES WORK TO SET IT UP. The concept is simple: One person calls two people who each call two people, etc. If one of the two people cannot be reached, (then the first person calls all four people on their branch of the tree) However you do it, GET A TELEPHONE TREE UP AND WORKING STARTING TODAY!!!
3. **TELL US YOUR INSURANCE STORY!!!** HAVE YOU OR YOUR FAMILY MEMBER HAD PROBLEMS WITH INSURANCE?? DID YOU THINK YOUR INSURANCE COVERAGE WAS SUFFICIENT, ONLY TO FIND OUT THAT THE 'MENTAL HEALTH' BENEFIT RAN OUT ON THE FIRST EPISODE? DO YOU KNOW SOMEBODY ELSE WHO HAS HAD THIS HAPPEN?? THERE IS NOTHING SO POWERFUL AS PERSONAL STORIES, AND THE TIME IS NOW TO SPEAK OUT. IF YOU OR SOMEONE YOU KNOW HAS EXPERIENCED INSURANCE DISCRIMINATION, CALL MIKE, DEBBI, OR AN AMI VOLUNTEER AT THE AMI OFFICE AND LET US KNOW RIGHT AWAY. IF YOU DON'T SPEAK OUT, NOBODY WILL!!

UNION LEADER
CONCORD MONITOR
FOSTERS DAILY DEM.
KEENE SENTINEL

HOMERUN!

NASHUA TELEGRAPH
COOS COUNTY DEMOCRAT

THE
MENTALLY
ILL ARE
PEOPLE

EQUAL
INS COVERAGE
for

BRAIN DISEASES
HILLARY
LISTEN
TO
TIPPER

INCLUDE
MENTAL
ILLNESS

Mental Illness
doesn't
Discriminate
Anyone Can Get It

Not everyone happy with Hillary Clinton's visit

CONCORD (AP) - Two groups protested Hillary Rodham Clinton's visit, one because she didn't visit a mental health center, the other because her health plan allows abortions.

The New Hampshire Right to Life Committee said in a statement that the Clinton plan "will ration health care and classify abortion as a 'health-care benefit.'"

If Congress approves the plan, the group said, "every American will be forced to pay for abortion."

"The Clinton plan belongs in bookstores right next to the works of Stephen King. It's a real horror story."

The Alliance for the Mentally Ill of New Hampshire said it was disappointed that Mrs. Clinton did not visit the Mental Health Center of Greater Manchester, which the alliance said was on her itinerary at one point.

The visit Thursday would have been "a firsthand chance for Mrs. Clinton to see how successful and fiscally prudent we in New Hampshire are in treating people with mental illness," the group said in

UNION
LEADER
&
AP WIRE
12.3.93.

AMI OF NH
10 FERRY ST. UNIT 314
CONCORD, NH 03301
TEL: 603 225 5359

November 28, 1993

Dear Local Leader,

AMI of NH's legislative committee is moving forward on NH's own insurance parity bill. A copy of this bill is attached. During December, we ask you, as an affiliate president or leader, to do a couple of things to help.

1. Write letters to you local newspaper editor about insurance discrimination for serious mental illness. A sample letter is attached, but please, use your own words! Give this assignment to several of your group's members, so that one letter appears each week between now and the first of the year, when the legislative session begins. Remember that every member who writes must use their own words.
2. Come to the press conference and bring your members.

PRESS CONFERENCE

FAIR INSURANCE COVERAGE FOR MENTAL ILLNESS

WHEN: MONDAY DECEMBER 13TH, 9:45 AM

**WHERE: LOBBY OF LEGISLATIVE OFFICE BUILDING, CONCORD,
DIRECTLY BEHIND STATE HOUSE.**

**THE PRESS CONFERENCE WILL BE FOLLOWED BY A STRATEGY
MEETING AT THE AMI OF NH OFFICE, NORTH MAIN STREET,
IMMEDIATELY FOLLOWING THE PRESS CONFERENCE.**

Someone from the legislative committee will be calling you week to confirm your plan for letters to the editor and attending the press conference. If we are to win fair insurance coverage in NH for serious mental illness we must have your participation.

SINCERELY,

PEGGY STRAW, LEGISLATIVE COMMITTEE
MIKE MALLOY, DIRECTOR

11/93

AMI OF NH
10 FERRY ST. UNIT 314
CONCORD, NH 03301
TEL: 603 225 5359

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SINCERELY,

MIKE MALLOY, DIRECTOR

The following is a draft of the legislation filed in the New Hampshire Senate. The language will be modified to conform to drafting requirements, but the essential elements of the bill will be unchanged.

AN ACT RELATIVE TO MENTAL ILLNESS COVERAGE

Sponsors: Senate: J. Shaheen(D), C. Lamirande(D), E. Podles(R), L. Fraser(R), J. Delahunty(R), R. Hough(D)
House: E. Crory(D), D. Sytek(R), B. Packard(R), A. Torr(R), T. Nardi(D), Manning

Notwithstanding any other provision to the contrary, each hospital or major medical contract or certificate delivered or issued for delivery in the State of New Hampshire by a health insurance company, non-profit health service organization, health maintenance organization, and contracts issued to employers or an individual on a group or individual basis that provides benefits for diseases or sicknesses shall provide benefits for treatment and diagnosis of certain biologically based mental illness under the same terms and conditions and which is no less extensive than coverage provided for any other type of health care.

Mental illness covered under this section shall be as follows:
Schizophrenia, Schizoaffective Disorder, Major Depressive Disorder, Bipolar Disorder, Paranoid and other Psychotic Disorders, Obsessive-Compulsive Disorder, Panic Disorder, Pervasive Developmental Disorder, or Autism

The benefits required under this section shall begin when benefits provided under the current mental health mandate are exhausted.

This act shall be applicable to any health insurance contract, policy, certificate, or plan that is issued on or after January 1, 1995. This act shall take effect 30 days after passage.

MORE TALKING POINTS FOR SB767

Senate Bill 767 will require that NH Insurance companies provide coverage for biologically based mental illness to the same extent that they cover other physical illness.

- **This is a mental *illness* bill. It is *not* a mental *health* bill.** Mental illnesses are low incidence biological brain disorders experienced by 2.8% of the adult population in any given year.¹ On the other hand, "mental health" problems are experienced by many people. This is not to suggest that mental health problems aren't significant and often very painful - but this bill proposes expanded coverage *only* for that 2.8% of the population who experience biologically based disorders of the brain.

- **It is time that we treated the brain as a part of the body.** Serious mental illnesses are disorders of the brain - not unlike Alzheimer's or Parkinson's disease. They are not the result of unhealthy lifestyles, or choice, or personal weakness, or poor parenting. They are diseases of the brain.

- **It is time for the discrimination in insurance coverage to stop.** Insurance that covers biologically based mental illness at lesser amounts than other physical illness is nothing less than discrimination.

- **Covering biological brain disorders will not "break the bank" in insurance premiums.** People with serious mental illness represent about 2.4% of the insured population in any given year. AMI of NH's independently commissioned cost study indicates that coverage for these illnesses would increase premiums by \$2.50/month per individual and \$6.75/month per family. Cost studies in California (Coopers and Lybrand, 1991) indicated a 78¢ monthly premium increase, and a Minnesota study put costs at \$1.00 per month. A 1991 Maryland study indicated that coverage of all diagnoses would cost less than \$1.00 per month per individual and \$2.50 per month per family.

- **Serious mental illness is diagnosable and treatable, like other physical illness.** While mental illness is not curable - it is treatable, like severe diabetes. Treatments for mental illness are effective. Early treatment of schizophrenia is 60% effective in reducing symptoms and 80% effective for bipolar disorder -- as compared with 41% success rate in treating cardiovascular disease through angioplasty.² The accuracy of diagnosing serious mental illness is also similar to other physical illness.

There is nothing as powerful and persuasive as your personal story. If you are a family member of a person with mental illness -- tell your story in a way that is always sensitive to your family member's need for personal dignity and privacy. Your family comes first.

¹ National Institute of Mental Health Epidemiological Catchment Area Study cited in "Health Care Reform for Americans With Serious Mental Illnesses: Report of the National Mental Health Advisory Council", U.S. Dept. of Health and Human Services, Public Health Service, National Institutes of Health, 1992.

² Scientific reports on treatment efficacy are numerous and are reprinted in a special section of the Report of the National Mental Health Advisory Council cited above. This report is available from the AMI library.

12/94

NEWS RELEASE ANNOUNCEMENT OF NEWS CONFERENCE

Contacts: • Ms. Doris "Rick" Sherman, Bedford, President, AMI of NH, tel. 603-472-3830 (office), 472- 5902 (home)
• Michael Malloy, Director, AMI of NH, tel. 603-225-5359 (office), 774-6633 (home)
• Rona Purdy, Durham NH, AMI of NH Board, Board member, National Alliance for the Mentally Ill tel. 603-868-1122 (home)
• Sibyl Shalo, Media Relations, National Alliance for the Mentally Ill, Arlington, VA tel. (703) 524-7600

AMI of NH Supports Fair NH Insurance Coverage for Mental Illness

The Alliance for the Mentally Ill of New Hampshire will be holding a news conference Monday December 13, 1993 at 10:00 AM, lobby of the Legislative Office Building, Concord to announce their support of a Senate Bill that provides for parity insurance coverage for mental illness with physical illness. Families from every part of New Hampshire are expected to attend the press conference.

The bill has broad bi-partisan support, led by Senator Jeanne Shaheen (D-Madbury) and Representative Elizabeth Crory (D-Hanover). Co-sponsors include Senators Leo Fraser, Carol Lamirande, Eleanor Podles, and Joseph Delahunty. Other House sponsors include Representatives Donna Sytek, Bonnie Packard, Ann Torr, and Theodora Nardi.

The subject of equal coverage for mental illness is a major issue of Health Care Reform. "We must end discrimination in health coverage for serious mental illness," said Ms. Rick Sherman, Bedford, President of the Alliance for the Mentally Ill of New Hampshire. "Mental illnesses are diseases, no different than diabetes or heart disease. Like diabetes, mental illness can be treated successfully. But the discrimination must end," Ms. Sherman stated.

At the recent Forum on Health Care Reform, Dr. Margaret Seiden, a neurologist, AMI -NH Board member, and mother of a son with schizophrenia, said that limiting coverage for mental illness is "a throwback to the days when mental illness was thought to be the fault of the family."

AMI-NH Executive Director Michael Malloy indicated that "equal coverage for mental illness is AMI-NH's Number One priority this year. The people of New Hampshire must understand that no matter what changes Health Care Reform brings to New Hampshire, we must protect people with mental illness. The community-based system we have developed here in New Hampshire is at risk if we do not properly cover those who are the most sick."

This bill provides equal coverage for mental illness as physical illnesses. The illnesses covered are:

1. Schizophrenia
2. Schizoaffective Disorder
3. Major Depressive Disorder
4. Bipolar Disorder
5. Paranoid and other Psychotic Disorders
6. Obsessive-Compulsive Disorder
7. Panic Disorder
8. Pervasive Developmental Disorder, or Autism

At the News Conference news organizations will be able to get background on mental illness and coverage for brain diseases, and accounts of how people who live in this coverage area have been affected by inadequate insurance. First-person follow-up accounts for specific regions of New Hampshire will also be available from the AMI-NH office. Contact (603) 225-5359 Michael Malloy.

XXX

Better health benefits sought for mentally ill

Proposed bill would ensure equal coverage

By SCOTT HILYARD
Monitor staff

People with heart disease have better health insurance coverage available to them than do people with schizophrenia. A group familiar with the state's mental health system thinks that is wrong.

Yesterday, the group announced its support for legislation that would require insurance companies to provide equal benefits for mental and physical illnesses.

"It is time that we all recognize that the brain is a part of the body and it too can become sick, like the heart, lungs or kidneys," said Rick Sherman, the president of the Alliance for the Mentally Ill of New Hampshire.

The bill, sponsored by Sen. Jerome Shaheen, a Democrat from Milbury, would make it illegal for insurance companies to reduce benefits for people diagnosed with mental illnesses such as autism, schizophrenia, bipolar disorder, psychotic disorders and others. The cost of the legislation has not been determined, although Shaheen said it would save money in the long run. People who get treatment for mental illness cost health care systems less than do people who do not get the proper treatment, she said.

"It is good health care and it is good economics," Shaheen said.

The remarks were made at a press

■ See HEALTH - Page B-8



Alliance members want equal benefits for mental and physical illnesses.

■ HEALTH

Continued from Page B-1

conference at the Legislative Office Building, attended by lawmakers and officials of the alliance, clients of the state's mental health care system and their families. Many carried signs for the television cameras that read "New Hampshire Families Want Equal Coverage for Mental Illness," and "Stop Discrimination Against Mental Illness."

Currently, people diagnosed with symptoms of mental illness have limited coverage from private insurers and Medicaid. Mental illnesses are categorized differently by insurers than other diseases of the brain, such as Alzheimer's, Huntington's and Parkinson's diseases.

Sherman spoke of a person who lives near Keene who has manic depressive illness. That person wrote to the alliance:

"My insurance coverage is minimal as compared to 'normal' members of my family. I have bipolar

“The limit on my coverage is \$10,000 lifetime. A hospital stay would wipe me out in no time. It is not sufficient.”

— Letter from a person
with manic depressive
illness

disorder, inherited from my grand-
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is \$10,000 lifetime. A hospital stay
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The health insurance industry
sets lower lifetime limits on mental
illnesses and higher deductibles.
Sherman calls this discrimination

and said it has far-reaching consequences.

"Far from saving money, this approach shifts costs to programs like state support and Medicaid, shifts treatment to crisis intervention and other modalities that are least effective, and shifts service delivery to emergency rooms and other settings that are most expensive," he said. "It also places extreme financial hardships on families who thought that their insurance was a safeguard against catastrophe."

The bill, sponsored in the House by Rep. Elizabeth Croy, a Democrat from Hanover, has bipartisan support in both chambers.

The bill would provide coverage for the following illnesses: schizophrenia, schizoaffective disorder, major depressive disorder, bipolar disorder, paranoid and other psychotic disorders, obsessive compulsive disorder, panic disorder and autism.

Concord NH
Monitor

Tuesday 12/14/93

page 1 local
Section

Bill Seeks To Equalize Benefits for Mentally Ill

Insurance Firms
Would Be Forced

By PAUL TOLME
Associated Press Writer

CONCORD (AP) — State legislation proposed yesterday would force insurance companies to provide mental health benefits that are equal to coverage for other illnesses.

Mental illnesses have long been snubbed by insurers, and now aren't being adequately addressed by President Clinton, said members of the Alliance for the Mentally Ill of New Hampshire. The bill would fill gaps in Clinton's proposals and would attack the bias against mental illnesses, they said.

Sen. Jeanne Shaheen, one of the sponsors, said Clinton's plan allows for such a state policy.

"States can choose to add to the (Clinton) package," said Shaheen, D-Madbury. She predicted the bill will meet opposition because of the initial cost.

"Insurance companies are going to have some reservations because of that," she said. However, "the long-term costs are going to be less."

The bill, to be introduced in January, would apply to any insurance plans issued after Jan. 1, 1995. Schizophrenia, depression, paranoia, panic disorder, autism, obsessive-compulsive disorder and other illnesses would be covered.

The mentally ill often are shunned, and the families sometimes are considered to be the cause, said Doris "Rick" Sherman, president of the alliance.

Mental illnesses "are equal opportunity brain diseases" and can affect anyone, she said. "Like diabetes, it can be treated but not cured."

Although some companies now cover illnesses such as depression, mental illnesses are the



Jim Cole/AP

MEMBERS of the Alliance for the Mentally Ill display charts at a news conference yesterday in Concord.

problems "most discriminated against in public and private medical insurance," she said. The mentally ill rank just behind AIDS patients when it comes to being shunned by the community, she said.

Coverage runs out under most insurance policies for the mentally ill, even though the illnesses can be lifelong.

"The impact on New Hampshire families can be devastating," said Peggy Straw, past director of the alliance. "Mental illness can absolutely impoverish a family."

Margaret Seiden, who criticized the Clinton plan at a health care forum attended by Hillary Rodham Clinton, said providing less coverage for the mentally ill is "part of the old historical notion that mental illnesses... are something to be snubbed."

The Clinton plan only provides coverage for a certain amount of out-patient visits for the mentally ill, she said.

Hillary Clinton essentially said "you should feel lucky" that any coverage is being provided, said Seiden, a neurologist at the state psychiatric hospital. "All we're saying is, 'Let's be fair.'"

Recent studies have shown that providing equal coverage for serious mental illnesses would add an extra monthly cost of 30 cents to \$1 per person insured, according to the alliance.

However, studies done in the mid-1980s by the Bureau of Labor Statistics showed hospital coverage for mental illnesses was limited to 30 to 60 days, compared with 100 days or more for physical illnesses.

Clark Dumont, spokesman for Blue Cross/Blue Shield of New Hampshire, said the bill would have a greater effect on health maintenance organizations, which control costs partly by limiting the number of doctors' visits covered.

Also, only 40 percent of New Hampshire's insured population

'Mental illness can absolutely impoverish a family.'

Peggy Straw
past director
Alliance for the Mentally Ill

would be affected, he said. That's because the other 60 percent receive coverage from self-insured employers, who create their own coverage.

Self-insured companies are exempt from state laws and are regulated by the federal government, which means they wouldn't have to abide by the proposal, he said.

"It may not have the effect they want," he said. "The only ones affected would be the ones not large enough to self-insure, which would be small businesses."

AMERICAN
107-7511 11/20/94
OCTOBER 11, 2000

Better health benefits sought for mentally ill

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By SCOTT HILYARD
Monitor staff

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"It is time that we all recognize that the brain is a part of the body and it too can become sick, like the heart, lungs or kidneys," said Rick Sherman, the president of the Alliance for the Mentally Ill of New Hampshire.

The bill, sponsored by Sen. Jeanne Shaheen, a Democrat from Madbury, would make it illegal for insurance companies to reduce benefits for people diagnosed with mental illnesses such as autism, schizophrenia, bipolar disorder, psychotic disorders and others. The cost of the legislation has not been determined, although Shaheen said it would save money in the long run. People who get treatment for mental illness cost health care systems less than do people who do not get the proper treatment, she said.

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■ See HEALTH - Page B-8



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■ HEALTH Continued from Page B-1

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"My insurance coverage is minimal as compared to 'normal' members of my family. I have bipolar

disorder, inherited from my grandparents. The limit on my coverage is \$10,000 lifetime. A hospital stay would wipe me out in no time. It is not sufficient."

— Letter from a person with manic depressive illness

The health insurance industry sets lower lifetime limits on mental illnesses and higher deductibles, Sherman calls that discrimination

and said it has far-reaching consequences.

"Far from saving money, this approach shifts costs to programs like state support and Medicaid, shifts treatment to crisis intervention and other modalities that are least effective, and shifts service delivery to emergency rooms and other settings that are most expensive," he said. "It also places extreme financial hardships on families who thought that their insurance was a safeguard against catastrophe."

The bill, sponsored in the House by Rep. Elizabeth Crory, a Democrat from Hanover, has bipartisan support in both chambers.

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THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

Group supports mentally ill

Wants insurance companies to cover disease

By JAMES RAYNO
Boston Staff Writer

CONCORD, Mass. — Advocates for the mentally ill want to see the disease treated as a illness like other afflictions.

Holding a press conference Monday in the Legislative Office Building, members of the Alliance for the Mentally Ill of New Hampshire turned out to say that if the bill would require insurance companies to cover mental illness, it would also require insurance companies to cover physical illness.

State Sen. Jeanne Sherman of Madbury, the prime sponsor of the bill, said she became involved in the issue after being contacted by a Dorset woman whose daughter suffered from a multi-personality disorder.

The woman said her daughter could not find help and asked Ms. Sherman if she could help.

She said she discovered there really isn't a great deal of coverage to help such people and her bill would change that.

"This is not just good health care, it's good economics," Ms. Sherman said.

The bill would have health insurance cover schizophrenia, schizoaffective disorder, major depressive disorder, manic depressive disorder, obsessive compulsive disorder, psychotic disorders, panic disorder and autism.

The alliance is comprised of parents, spouses, or siblings of people with mental illness or those who have a serious mental illness themselves.

The alliance's president, Doris "Rick" Sherman, called the lack of insurance coverage for mental illness one of the most serious injustices in society today.

"Like diabetes, mental illness represents a chemical imbalance. Like diabetes, it can be treated and managed, but not cured. It does not result from bad parent-



Members of the Alliance for the Mentally Ill display charts at a news conference in Concord Monday. The group announced legislation that will be introduced in January that would require insurance companies to cover mental illness to the same degree as other illnesses. (AP)

ing. It has nothing to do with weakness or the will or poor response to stress," she said.

She said mental illness is the one disease most discriminated against in both public and private health insurance.

"Leaving biologically based mental illness untreated costs much more than it saves," said Ms. Sherman, and she cited a recent Massachusetts Institute of Technology study that indicated untreated major depression cost business and industry \$43 billion.

She also explained that most hospitalization coverage for mental illness is less than for physical illnesses, and that fewer outpatient visits are allowed for mental illness.

Most people affected with mental

illnesses don't cover mental illness," she said. "They only learned of it when they needed it the most," Ms. Sherman said.

Former alliance President Peggy Straw of Peterborough read from letters the association has received from families in which one member has a serious mental illness, including a letter from a retired man in Stratham.

In the letter, the man told of out-of-pocket costs associated with his child's illness.

"Mental illness can impoverish a family," Ms. Straw said.

She noted that many people with mental illness are discharged from hospitals when their insurance coverage runs out, with hospitalizing the person has improved.

Another alliance member Margaret Selden, a Concord neurologist with a schizophrenic son, said people with mental illness are viewed through an old stigma. "You're still seeing jokes, movie and cartoons making fun of people with mental illness," she said.

At a recent health care forum in Hanover attended by Hillary Clinton, Ms. Selden said she asked the first lady about the national plan and the mental health coverage.

Ms. Selden said Ms. Clinton basically said they should consider themselves lucky because they are worse off now before the proposal.

Ms. Selden said that was not answer.

"Let's be fair. Let's treat mental illness like an illness, which it is."

OPINION

Portsmouth Herald (N.H.) Monday, December 20, 1993

Letters to the Editor

Mental illness needs insurance

To the Editor —

Healthcare and healthcare insurance is currently being given priority attention these days, and properly so. New legislation at both the national and state level is being considered with a view toward reforming the present system.

It is extremely important that during this process due regard be given to the subject of mental illness. Healthcare insurance and some versions of proposed new legislation tend to discriminate unfairly against coverage for the major mental illnesses. Insurance policies typically exclude coverage, or severely limit coverage, for mental illnesses such as schizophrenia and bipolar depression. The majority of experts now agree that these diseases are the result of chemical imbalances of the brain. They are biological, physical diseases much the same as diabetes, Parkinson's Disease and various other physical diseases that insurance policies generally cover.

Why should an illness caused by a diseased brain be less deserving of coverage and treatment than diseases of other bodily organs? This discrimination is a throw-back to the days when mental illness was not understood as it is today.

I am a member of the Alliance for the Mentally Ill. Most of our members are parents, siblings, spouses or other relatives, or in many cases friends of someone with mental illness. We know firsthand of the misery and hardship endured not only by the afflicted person but by families and friends. This can be especially difficult financially for families when they find, often to their surprise, that their medical insurance either does not cover mental illness or puts a dollar limit on treatment not applicable to other illnesses.

It is important that any reform, any new legislation, correct this inequity and cover these major mental illnesses on a parity with

Mental health bill deserves your support

To the editors:

To the editor:
I am a member of the Alliance for the Mentally Ill. I had a son who suffered from schizophrenia. I have seen what lack of treatment can do as well as the recovery possible with effective treatment.

Senate Bill 767-FN would require that all health insurance in New Hampshire provide the same coverage for biologically based mental illnesses as is provided for other brain diseases such as Parkinson's, Alzheimer's and Huntington's. This bill, sponsored by Jean Shaheen and Ann Torrey, will mandate fair coverage for serious, long-term mental illness. It is not concerned with transient mental and emotional problems or substance abuse. They are already covered.

For fair insurance coverage for serious mental illness support Senate Bill 767-FN.

Nancy Leonard
Dover

Senate Bill 767, relative to insurance coverage for mental illness, is scheduled for hearing before the Senate Insurance Committee Feb. 17 at 9 a.m. in the Legislative Office Building, Room 101.

The purpose of insurance is to prepay in to a risk fund against catastrophes that might bankrupt us. Fire, life, accident and health insurance protect against the calamity we hope will never occur. Health insurance covers cancer, heart disease, multiple sclerosis, muscular dystrophy, arterial disease, all devastatingly expensive. Insurance companies, however, draw a line when it comes to mental illnesses, although most have an organic origin and at present are being successfully medicated to cure or alleviate behavioral symptoms.

Research in the past decade has verified that physical problems affecting behavior cause mood disorders, schizophrenia, schizoid affective and other major mental illness. These physical problems are treatable in the same way as other organic diseases, with proper diagnosis and medication. This discrimination against one of the most tragic of organic dysfunctions is grossly unfair.

In the past the lack of definite knowledge concerning mental illness plus Freudian misinformation wasted money on fruitless cures. Today psychiatric hospital expenses should be regulated according to the amount of care the patient requires — acute care, convalescent care or just medication supervision.

Timely and appropriate psychiatric care can prevent human tragedy, return

patients to school or the work place and improve quality of life. It is economically sound and ethically essential.

RUTH DU BOISE
Concord

Mentally ill need good insurance

To the Editor:

Thank God that, today, the diagnosis and treatment of severe mental illness is as precise and effective as for other disorders.

This most devastating and heart-breaking illness has come out of the Dark Ages, but sufferers still face some stigma and discrimination from some individuals who do not understand mental health problems. They are biologically based physical disorders.

Research has established effective medication and therapy. Timely treatment reduces symptoms 80 percent and more, thereby reducing the need for hospitalization.

The Alliance for the Mentally Ill of New Hampshire has proposed Senate Bill 767 relative to insurance coverage for people with biologically based mental illness.

Sandra Trade-Trikewie 2/6/94

Insurance coverage for these should be equal to all other illnesses.

Costs to taxpayers are reduced if insurance coverage is adequate and victims get proper medical treatment.

Instead, victims often become homeless, ill-treated and wrongly jailed instead of taken to an appropriate treatment facility. Often these tragedies are caused by simple lack of knowledge and resources.

If mental illness was given the same support, enthusiasm, exposure, acceptance and understanding as other illnesses, many of the present problems victims and their families face would not exist.

Please support S.B. 767 and pray for the relief of the stigma and suffering the mentally ill experience.

Chester and Nancy Orban
Sandown, N.H.

PARITY INSURANCE BILL

CALLING ALL AMI MEMBERS! It is time to get to work again!!!

It is extremely important that your group be in contact with their state legislators that they have "adopted" - just to touch base at first and then to lobby hard for our Senate Parity Insurance Bill that still has no number. Our policy of "adoption" is, for those who are new in the organization, to just get acquainted with your assigned legislator by befriending them if you do not already know them, asking them out/over for breakfast or lunch or even a brisk walk, whatever strikes your fancy, and then telling them your story and how tragic it is that mental illness is discriminated against in so many ways when it is a no fault disease or chemical imbalance like diabetes and deserves to be treated like any other disease.

Remember there are 424 legislators in the house and Senate so we need all of you to be "adopters". Although our bill will originate in the Senate, it will have to be voted on in the House so it is extremely important that we touch base with all our legislators. We will want them to know how expensive it is to get private care and how the lack of insurance has affected our lives. It seems more and more likely that the Clinton Health Plan will allow only minimum benefits for mental health coverage, so consequently we have to maximize coverage in our states.

Telephone contact: When contacting a legislator, it is important that your message be brief, relevant and specific. Be sure to leave your name, your AMI group name, your address and phone #. i.e. "Hello, this is -----calling. I am a member of the ----- Alliance for the Mentally Ill. I live on -----street in ----- and my phone # is ----- . I am calling about the Parity Insurance Bill (mention it by number which we will get to you when it is assigned). I have a family member who has a mental illness and have had inadequate (or no) insurance coverage for a disease that has plagued our family for years and has(made us reliant on the public system) (kept us from getting medical care) , and made our lives a nightmare. Please give your support to a bill which will require coverage equal to that for other illnesses. It is unfair that people with serious mental illness be discriminated against in health care benefits compared to other illnesses.

Writing letters: A brief, one page handwritten (legible) letter is best by a constituent (who lives in the legislator's district and votes for them). We are told they sometimes vote on bills by how many letters they get in support. Address your letters to:
The Honorable John Doe-(for House members), State House, Concord, N.H. 03301. :
Senator John Doe-(for state Senators), State House, Concord.

If you have a specific insurance horror story, tell it briefly, leaving out names that might confuse your story. Write in your groups and share your stories. It helps.

**Alliance for the Mentally Ill of New Hampshire
10 Ferry St. Unit 314
Concord, NH 03301**

NEWS RELEASE

Contacts: Doris "Rick" Sherman - Bedford, President, AMI of NH, tel: 473-3830 (office); 472-5902 (home).

Michael Malloy - Director, AMI of NH, tel: 225-5359 (office); 774-6633 (home)

FAMILIES AND PEOPLE WITH MENTAL ILLNESS ASK FOR INSURANCE DISCRIMINATION TO END

SENATE INSURANCE COMMITTEE TO HEAR S 57 ON THURSDAY, 9:45am

On Thursday, February 17th, 9:45am, people with serious mental illness, their families, and friends will testify before the Senate Insurance Committee in support of SB767. SB767 would require that health insurance policies provide coverage for serious mental illness to the same extent that they cover all other physical illnesses.

The subject of equal coverage for serious mental illness is a major issue in Health Care Reform. "We must end discrimination in insurance against serious mental illness," said Ms. Rick Sherman, President of the Alliance for the Mentally Ill of New Hampshire (AMI of NH). "This is a mental illness bill -- Mental illnesses are low incidence brain disorders, much like Parkinsons or Alzheimers diseases. They can be treated effectively. But most people aren't aware that their insurance policies place much lower annual and lifetime caps on coverage for these brain diseases than for other illnesses. The brain can get sick, like any other part of the body."

The cost of health care is also a major issue in health care reform. Michael Malloy, Director of the Alliance for the Mentally Ill, states: "Providing better coverage for serious brain disorders will not break the bank - and will add relatively little to most monthly premiums. Why should someone who has worked hard all their lives and paid their insurance premiums end up receiving public assistance to pay for services? Most people aren't aware of this discrimination in their health insurance until it they need treatment, and by then it is too late."

XXX

Note: At the hearing news organizations will be able to obtain background on mental illness and coverage for brain diseases and hear accounts of how people who live in this coverage area have been affected by inadequate insurance. Some first-person follow-up accounts for specific regions of NH will also be available.

TALKING POINTS FOR SB767

Senate Bill 767 will require that NH insurance companies provide coverage for biologically based mental illness to the same extent that they cover other physical illness.

- This is a mental *illness* bill. It is *not* a mental *health* bill. Mental illnesses are low incidence biological brain disorders experienced by 2.8% of the adult population in any given year. On the other hand, "mental health" problems are experienced by many people. This is not to suggest that mental health problems aren't significant and often painful - but this bill proposes expanded coverage only for that 2.8% of the population who experience biologically based disorders of the brain.

- It is time that we treated the brain as a part of the body. Serious mental illnesses are disorders of the brain - not unlike Alzheimer's or Parkinson's disease. They are not the result of unhealthy lifestyles, or choice, or personal weakness, or poor parenting.

- It is time for the discrimination in insurance coverage to stop. Insurance that covers biologically based mental illness at lesser amounts than other physical illness unfairly discriminates.

LEGISLATIVE ALERT

January 16, 1994

Senate Bill 767

An act relative to insurance coverage for mental illness

Hearing Scheduled for:

Thursday, February, 17th 1994

9:00 AM

Senate Insurance Committee

Legislative Office Building Room 101

Senate Bill 767 will be heard by the Senate Insurance Committee on February 17th. Between now and the time of the hearing, there are several very important things that you can do to help.

Letters to the editor - write letters to the editor supporting SB767 and educating readers about serious mental illness. To those of you who have already written letters - thanks.

Organize your family or consumer group to write a letter to the editor and have everyone sign it.

Call and write your state senator and ask them to support SB767. Tell them why this is important, tell your personal story.

If your senator is already a sponsor of the bill, write to thank them for their support and tell them why it is important. You may wish to bring paper, pens, and stamped envelopes to your group meeting in late January and early February to have all attendees write to their senator. If your senator is not on the Senate Insurance Committee, ask them to share your letter with the Insurance Committee before the Feb. 17th hearing.

In early February call around to your members and to others you've already talked to, to remind them of the hearing and how important their attendance and letters are.

* A list of your State Representatives and State Senators is attached. Please concentrate on writing to your State Senator at this time - this includes all Senators and especially those who are on the Senate Insurance and Senate Finance Committees, where this bill must pass before it goes over to the House.

Alliance for the Mentally Ill of New Hampshire
10 Ferry St. Unit 314, Concord, NH 03301
603-225-5359

HH



grass roots-family support-advocacy

The Alliance for the Mentally Ill of New Hampshire

10 Fern Street, Suite 314 • Concord, NH 03301

Office (603) 225-5359
family Line (NH) 1-800-242-NAMI

PORTSMOUTH HERALD Mental health at issue

PAGE 1

Speakers urge Senate to pass insurance bill

By Leslie Miller
Herald Staff

CONCORD — People struggling with mental illnesses pleaded, often tearfully, yesterday for passage of a Senate bill that would require health insurance to cover biologically-based mental illnesses just like any other disease.

"The brain should be equal to the heart. Both are key to a healthy life," said Nancy Maguire of Bedford. Her mother and husband both suffer from bipolar disorder, also known as manic depression. Maguire said she doesn't look forward to the day when the \$10,000 lifetime cap on claims for her husband's lithium prescriptions and hospitalization runs out.

WITNESSES testified that many insurance plans fail to cover mental illnesses adequately. Dr. Goffree Barnett, president of the New Hampshire Psychiatric Society, said depression in children often lasts 32 weeks, but one Healthsource plan only provided 20 weeks of coverage. Blue Cross/Blue Shield of New Hampshire caps claims at \$5,000 a year, which means 90 percent of children don't get adequate coverage, he said.

"If the illness recurs, you often run out of benefits," said Barnett.

He testified the cost to society of youthful mental illness is dramatic, resulting in suicide, homicide and deterioration of the family. "The impact of an ill child on a family is dramatic," he said.

Peter Wells of Healthsource, a health maintenance organization that backs the bill, estimated the cost to consumers would be minimal. A 500-employee company with \$1.3 million in premiums would see only a \$24,000 cost increase, he said.

Paula Rogers, lobbyist for the Health Insurance Association of America, warned that the coverage would come at a price — higher premiums. Her group

opposes the bill.

Rogers' argument drew no sympathy from Deborah Holland of Manchester, who has had difficulty paying for her son's treatment after he tried to kill himself.

"No one should have to be burdened with payments of \$1,800 a month," she said. "I didn't sell my house. I sold everything else, including blood," she said.

"For God's sake, do not let this happen. It's cruel and unnecessary. They'll tell you the premiums will go up. Tough. Tough."

"I am a manic depressive who has reached my \$10,000 maximum," said Elizabeth Carignon, a pre-school teacher. "I had been told for years my illness is no different from a diabetic's," she said, crying. "What kind of message is it to have one-tenth the coverage of a biologically-based illness."

Catherine Rock testified she suffers from borderline personality disorder and pleaded to amend the bill to cover her illness. "We need it so desperately," she said.

The bill covers schizophrenia, schizoaffective disorder, major depressive disorder, bipolar disorder, paranoia and other psychotic disorders, obsessive-compulsive disorder, panic disorder and pervasive developmental disorder or autism.

(The Associated Press contributed material to this report.)

Self-help groups in Claremont, Concord, Dover, Franklin, Manchester, Keene, Laconia, Littleton, Manchester, Nashua, Peterborough, Plymouth, Portsmouth, Salem, Wolfeboro, NH Hospital

Senate hears plea for coverage

Mental health insurance said lacking

By M.L. ELRICK
Monitor staff

Inadequate insurance coverage for mental illness compounds the devastation of victims and families after their money runs out, an emotional crowd told a Senate committee yesterday.

The brain, they said, is no different than the heart or lungs. When it gets sick it should get equal insurance coverage, said Rick Sherman of the Alliance for the Mentally Ill.

"When the brain goes bad is it not the equivalent of all other organs?" Sherman said.

Sherman and dozens of others filled a senate Insurance committee hearing to support a bill requiring insurers to provide the same coverage for biologically-based mental illnesses, such as schizophrenia and autism, as they do for physical maladies.

Many insurers currently cap the amount they'll pay for mental illnesses or limit the number of visits they'll reimburse. Victims, families and state officials testified that coverage is often inadequate to properly treat or care for the mentally ill. Many waited hours to testify on the issue, and although committee chairman Sen. Joseph Delahunty, a Salem Republican, made it clear they didn't have to persuade the committee to endorse the bill, about a dozen people weren't about to pass on the opportunity to tell their story.

Debra Holland, of Goffstown, was the first. While several people recounted their experiences on the verge of tears, she spoke in anger, pulling out what she said were the \$224 monthly receipts for her son's Prozac.

Holland said her insurance coverage ran out quickly after her son was diagnosed with a mental ill-

ness. She said she's still without coverage, but tries to make sure he gets proper treatment.

"I didn't sell my house but I sold everything else and no one should have to do that," Holland said.

Doctors from the New Hampshire Psychiatric Society, New Hampshire Hospital, and Department of Health and Human Services said equal coverage would help diagnose and treat mental illness in children as well as adults, saving the state money in the short and long runs.

Although insurance companies opposing the bill cited increased costs, Dr. Thomas Fox said of the 32,563 people treated for problems of varying severity in the state's mental health system, 1,429 had adequate coverage and 75 had passed the maximum coverage of their health insurance.

Blue Cross & Blue Shield of New Hampshire and Healthsource support the bill, which is opposed by Matthew Thornton Health Plan-

MANCHESTER NH UNION LEADER 2/18/94

Witnesses to Senate: Give Equal Coverage For Mental Illnesses

By NORMA LOVE
Associated Press Writer

CONCORD (AP) — Health insurance should cover mental illnesses just as any other biologically based disease, witnesses told a Senate committee yesterday.

"This is a simple issue of fairness," said Sen. Jeanne Shaheen, D-Madbury, prime sponsor of legislation to require the coverage.

Most existing insurance plans fail to cover basic treatment of the diseases, supporters said.

Deborah Holland of Manchester said she's been struggling to pay for her son's treatment after he tried to kill himself.

"I didn't sell my house. I sold everything else, including blood," she said.

Shaheen's bill would require insurers to cover schizophrenia, schizoaffective disorder, major depressive disorder, bipolar disorder, paranoia and other psychotic disorders, obsessive-com-

pulsive disorder, panic disorder and pervasive developmental disorder or autism.

The illnesses are covered under mental health provisions of most plans, but many have a \$10,000 lifetime cap on claims.

Paula Rogers, lobbyist for the Health Insurance Association of America, warned that the coverage would come at a price — higher premiums. Her group opposes the bill.

But Peter Wells of Healthsource, a health maintenance organization which backs the bill, estimated the cost to consumers would be minimal.

Dr. Thomas Fox of the state Division of Mental Health said only 75 people out of the 1,429 who sought help last year from community mental health programs for diseases covered by the bill exceeded their insurance caps.

"We're not talking large numbers or lots of money," he said.

Dr. Goffree Barnett, president



Sen. JEANNE SHAHEEN
"Simple issue of fairness"

the New Hampshire Psychiatric Society, said the price of not requiring insurance coverage translates into higher jail costs, treatment of youngsters through tax-paid programs at school and in the community, and in suicides.

For example, children can undergo episodes of depression lasting three years, he said. Healthsource pays for 20 visits to the doctor a year while Blue Cross covers \$5,000 in outpatient services a year with a \$10,000 lifetime cap.



Dartmouth-Hitchcock Medical Center

Dartmouth Medical School

Department of Psychiatry

Robert M. Vidaver, M.D., F.A.P.A.
Professor of Psychiatry
Vice Chairman

February 17, 1994

Memo to Senate Insurance Committee
RE: Senate Bill 767

I am in strong support of SB 767.

Schizophrenia, bipolar disorder, major depression, OCD, the major brain disorders, are in fact very real diseases of the brain. Schizophrenia, for example, originates, most probably, in early childhood or before as structural distortions in the arrangement or pattern of neurons in certain key areas of the cortex -- the left pre-frontal, hippocampal and parahippocampal regions, and the limbic system -- leading years later as the brain matures during adolescence and early adulthood to profound disturbances in brain chemistry and the interpretation of information within the brain.

Anatomic and functional assays of these regions through the use of radioactive tracers, brain scans, and blood flow studies (MRI, PET, and SPEC) and neuropsychological testing clearly demonstrate reduced amounts of brain tissue in these areas, disorganized neuronal patterns, and lowered and abnormal levels of metabolic function, translating into both (a) the positive symptoms, hallucinations and delusions, for example, at times of acute psychosis and (b) a characteristic pattern of impaired verbal memory and learning, attention and visual motor-processing which persists even after the psychosis has disappeared.

The net effect of these disturbed neuronal patterns and chemical dysfunction is akin to trying to listen to AM radio in the midst of a thunder storm; the words are there, but the static interferes with perception no matter how desperately one tries to hear; one misperceives and misinterprets.

Newer medications, taking advantage of the past decade's avalanche in brain research are increasingly able to target their effects upon specific neuron groups and potentiate, or block, disturbances in the targeted neurotransmitter to bring the whole system back into balance. Newer medications, such as clozapine, the soon-to-be-released risperidone, and Sertindole (already available in Europe) promise to bring about the same kind of relief in schizophrenia that insulin provides in the control of diabetes (which, of course, it cannot cure) or steroids provide in alleviating the symptoms of life-long rheumatoid arthritis.

Nor is this far from home. The vast majority, upwards of 98%, of New Hampshire's most severely and persistently afflicted individuals live in the community, independently in apartments, with their families, and in group homes living ordinary lives, coming and going as everybody else, through the aegis of a plethora of community programs, in turn bulwarked by periods of brief hospitalization. New Hampshire Hospital admits some 1,000 persons a year, community hospitals probably twice that number; yet our average length of stay is just nine days. Newer medicines, community-based rehabilitation, and crisis-centered brief hospitalization are able to control the biological consequences of their brain disease, but only if these medications and community programs are maintained in place over a life time. Thus, the need for SB 767.

That does not mean, however, great expense to insurers or the State. My own studies and that of many other investigators and economists have clearly demonstrated the economy of community-based treatment offered on a preventative and maintenance basis to reduce the need for expensive hospitalization and, above all, eliminate long-term institutionalization with its million-dollar-per-patient price tag to the State.

At New Hampshire Hospital the introduction of a new medicine, clozapine, for a small group of 47 of our most severely afflicted individuals resulted in the discharge of 32 of them. Over and above the advantage to them as human beings, the Hospital achieved a net savings of some 6,084 inpatient days, worth \$2,860,000 over the first year alone. In effect, New Hampshire Hospital did not need more beds and was able to keep its overall census constant because a new medication allowed us to care for patients in the community at a fraction of the cost.

Lastly, I would like to distinguish between brain disease, as covered by SB 767, and personality disorders. Everyone has a personality -- friendly or unfriendly, kind, generous, introverted, outgoing, compassionate or sadistic, gloomy or optimistic. We all have personalities. How we become who we are is a complex of many inputs: innate temperament, culture, parents, siblings, school mates, dreams, aspirations, and the experience of cold reality. Many of us wish we were "better", nicer, less self-centered. Certainly our personalities can create difficulties for us; an angry, impulsive temperament or self-defeating pattern can cause great discomfort. Psychotherapy can help if we are strongly motivated to change (not at all if we are not). But these are not the ailments nor treatments to be covered by SB767. They have a wholly different origin, are amenable to time-limited treatment and co-pay charges exactly because the individual can change, if he or she wants to, while individuals with schizophrenia can never "will" their brains to change. They are victims of a strange, but controllable, disease.

Robert M. Vidaver, MD, FAPA

Mental Illness

The brain is the most complex — and therefore misunderstood — organ in the human body. For centuries, the most enlightened societies have struggled with how to diagnose and treat its maladies.

On the eve of the 21st century, we know more about the brain than ever before, and amazing technological advancements and pioneering research reveal more of its secrets almost daily. This knowledge is

often difficult to assimilate because it confronts deeply ingrained societal stereotypes and firmly rooted public policy priorities.

This conflict is popping up in New Hampshire and across the country as mental health advocates armed with increasingly strong empirical evidence challenge health care providers, politicians and insurance companies to view and treat severe forms of mental illness as many other biological diseases.

It's a tough fight.

A wall separates mental and physical health in most people's perceptions. It is assumed a person suffering a stroke will receive immediate comprehensive care and full insurance coverage. But few people question a system that allows a person suffering from depression to go years before the condition is accurately diagnosed and then cuts off benefits at ridiculously low amounts.

This anti-mental illness bias discourages people from seeking help and leaves them and their families to suffer needlessly, sometimes for many years.

That could change in New Hampshire if legislation proposed by Sen. Jeanne Shaheen, D-Madbury, passes. It would require that insurance companies provide coverage for several clinical mental illnesses as they do for any other disease.

This does not mean that someone feeling blue at the loss of a pet could collect unlimited insurance benefits. The scope of the law is limited to covering patients who suffer from severe medical illnesses that can be clinically diagnosed. They include schizophrenia, bipolar disorder, panic disorder and autism, to name four.

Time to recognize it for what it is

It is important to note that opposition to the bill centers not on its merits, but on its cost. Even opponents recognize that these severe mental disorders are diseases. The argument against the bill rests on the premise that it will drive medical costs much higher.

That premise is debatable. Surely, until the coverage is provided over an extended period of time, there is no way to accurately determine what the cost of such coverage will be. A few states already have expanded insurance coverage to several mental illnesses, but the track record is much too short to draw meaningful cost conclusions.

But this isn't an argument that should turn on costs. How many billions does it cost to treat heart disease in the country every year? We don't hear anyone calling for an end to insurance coverage for heart bypass surgery — and this when some studies have suggested the procedure is overused and may be less beneficial than originally believed.

The question should be this: In society's slow march toward enlightened mental health care, should severe mental illnesses be treated as diseases? If the answer is yes, then Sen. Shaheen bill's is a moral imperative.

This is not to say the cost of such coverage isn't important. But the solution to that problem is stringent management, not neglect. The cost of mental health services can be contained just as the costs for other health care services are now being contained.

Will mental health care coverage push up medical insurance costs? Yes, but consider the potential societal benefits if people who aren't getting help now are encouraged to do so. Not to blame all of society's ills on the mentally ill, but more effective treatment would no doubt mean a lower crime rate, fewer instances of domestic violence, and increased worker productivity — to scratch the surface.

Not so long ago, the mentally ill were heavily sedated and locked away in state hospitals. The appalling inhumanity of that manipulation finally hit home in the late 1960s and led to reforms in the 1970s and 1980s.

Isn't it time we take the next step toward the humane treatment of mental illness?

LEGISLATIVE ALERT

MARCH 24, 1994

**Senate Bill 767: Insurance coverage for mental illness
PASSED IN THE NH SENATE
HEARING BY HOUSE COMMERCE COMMITTEE ON
WEDNESDAY, APRIL 6TH 11AM - PLEASE ATTEND!!
Legislative Office Bldg. Room 207
(the LOB is directly behind the NH State House)**

Senate Bill 767 was heard by the Senate Insurance Committee on February 17th. Thanks to all of you who wrote to your Senator, wrote a letter to the editor, or appeared at the hearing in support of this bill. SB 767 passed the Senate and now goes to the House, where it will be heard by the House Committee on Commerce, Small Business, and Consumer Affairs and later by the House Appropriations Committee. SB767 may face *opposition* in the House .

YOUR LETTERS TO COMMITTEE MEMBERS AND ATTENDANCE AT THE HEARING ON APRIL 6TH IS EXTREMELY IMPORTANT!!!!

1. Contact your Representative *and* the Committee members personally and in writing. Call and write the Committee members. If your representative is not on these Committees, write to your representative and *send a copy to these Committee Chairs . Get their committment to support SB767.* Ask them to share your letter or call with the other committee members. You may wish to bring paper, pens, and stamped envelopes to your group meeting to have all attendees write to their representative *and* to the Chair of the Appropriations and Commerce Committees. Because time is short you must do this immediately.

2. IF YOU HAVE WRITTEN ONCE ALREADY - THEN WRITE AGAIN. YOUR CALLS AND LETTERS DO MAKE A DIFFERENCE. THE REPRESENTATIVES LIKE TO HEAR WHAT "REAL PEOPLE" ARE THINKING ABOUT THE ISSUES.

***LIST OF COMMITTEE MEMBERS IS ATTACHED.**

*** BRIEF "TALKING POINTS" IS ALSO ATTACHED.**

**Share this Alert with your friends, family and support group members.
Every call and letter counts. Make sure *you* are counted!!**

Alliance for the Mentally Ill of New Hampshire
10 Ferry St. Unit 314, Concord, NH 03301 tel: 603-225-5359

TALKING POINTS FOR SB767

Use these as a guide when talking to legislators.

Senate Bill 767 will require that NH Insurance companies, HMO, etc. provide coverage for biologically based mental illness to the same extent that they cover other physical illness.

- **This is a mental *illness* bill. It is *not* a mental *health* bill.** Mental illnesses are low incidence biological brain disorders experienced by 2.8% of the adult population in any given year. On the other hand, "mental health" problems are experienced by many people. This is not to suggest that mental health problems aren't significant and often painful - but this bill proposes expanded coverage only for that 2.8% of the population who experience biologically based disorders of the brain. (1)
- **It is time that we treated the brain as a part of the body.** Serious mental illnesses are disorders of the brain - not unlike Alzheimer's or Parkinson's disease. They are not the result of unhealthy lifestyles, or choice, or personal weakness, or poor parenting.
- **It is time for the discrimination in insurance coverage to stop.** Insurance that covers biologically based mental illness at lesser amounts than other physical illness unfairly discriminates.
- **Serious mental illness is diagnosable and treatable, like other physical illnesses.** While mental illness is not curable - it is treatable, like severe diabetes. Treatments for mental illness are effective. Early treatment of schizophrenia is 60% effective in reducing symptoms and 80% effective for bipolar disorder -- as compared with a 41% success rate in treating cardiovascular disease through angioplasty. The accuracy of diagnosing serious mental illness is also similar to other physical illness.(2)

There is nothing as powerful and persuasive as your personal story. If you are a family member of a person with mental illness -- tell your story in a way that is always sensitive to your family member's need for personal dignity and privacy. Your family comes first.

Remember that you don't have to be an expert to be persuasive in getting legislators to support this bill. The basic reason for them to support ending insurance discrimination is that it is the right thing to do -- it is a basic issue of fairness.

REFERENCES:

(1) National Institute of Mental Health, Epidemiological Catchment Area Study cited in "Health Care Reform for Americans With Serious Mental Illness: Report of the National Mental Health Advisory Council," U.S. Dept. of Health and Human Services, Public Health Service, 1992.

(2) Scientific reports on treatment effectiveness are many and are reprinted in a special section of the report mentioned above available from the AMI of NH lending library.



AMI of New Hampshire NEWS

VOLUME V, Issue 2 InfoLine 1-800-242-NAMI FALL 1994

Hold the Date
Saturday October
22nd
AMI of NH
ANNUAL
CONFERENCE
details on page 5

Parity Passes!

After months of advocacy by families and consumers, Governor Merrill signed Senate Bill 767 into law in early July. SB 767 requires all health insurance policies in NH to provide coverage for certain biologically based mental illness at the same level as coverage for other illness. The law will go into effect for any policy issued or renewed beginning January 1, 1995. The Governor waited until the last minute before signing the bill, but signed after realizing that the so-called "small business" opposition to the bill was really an organized campaign by the Church of Scientology, which opposes all types of psychiatric treatment.

Supporters - including business owners - argued that parity makes economic sense, and that premiums would rise less than 2%. "Fair coverage has an economic benefit to New Hampshire," said Rick Sherman, President of the Alliance. "The costs for not treating mental illness far outweigh the costs of providing adequate treatment."

The cost of untreated mental illness is high. According to the National Advisory Mental Health Council's 1992 report, the annual indirect costs for serious mental illness are \$48 billion. Additionally, about 25% of all Social Security Disability payments are for persons with severe mental illness.

NH Business Supports SB767

David Foote, a partner at CFX Bank in Keene supported SB767. "We have over 300 employees in 19 branches. The mental illness coverage legislation says that mental illness is an illness like heart disease or diabetes. Finally it's getting

treated in the same manner. When I look across the broad spectrum of our employees there would be very few people with serious mental illness, but, when it happens, the person does need the insurance coverage. We believe

(see Parity, page 3)



Rick Sherman accepts National Advocacy Award from NAMI President Warren Adams

AMI of NH Recognized at San Antonio Convention

AMI New Hampshire received national recognition during the NAMI Annual Convention held in San Antonio, Texas in July. AMI received the NAMI Outstanding State Advocacy Award for passage of NH's Insurance Parity legislation. This marks the second time in four years that AMI of NH has received the Advocacy Award. AMI-NH also received the NAMI Award for Outstanding Public Education through the Media for our work with the NH media during the parity legislation effort.

And special congratulations to AMI of NH Board member Rona Purdy on her election to be President of NAMI. Much will be accomplished under her leadership.

New CEO at Central NH

Central New Hampshire Community Mental Health Services, Inc. has a new President and Chief Executive Officer, Dale K. Klatzker, PhD. Dr. Klatzker comes to New Hampshire from Eastern Middlesex Human Services in Wakesfield, Massachusetts. Dr. Klatzker obtained a Masters degree in Social Work at Boston University and a Ph.D. at the Florence Heller Graduate School for Advanced Studies in Social Welfare, Brandeis University.

The task of a CEO in a community mental health system is extraordinarily challenging at this time. Tightening budgets, changing models of care, political uncertainties, and increasing expectations and needs in the community present a complex and difficult task. Dr. Klatzker has described his management style as "an inclusive one that values partnership and teamwork at all levels". He is currently holding

a series of weekly meetings, for staff and other interested individuals, at which he seeks input and presents his plans for addressing the Agency's fiscal and programmatic problems. He is also meeting with staff and consumers in all programs.



Central NH Mental Health Center's new chief executive, Dale Klatzker.

"Our consumers must always be at the focus of our efforts," Dale Klatzker states, and he has stressed that in seeking fiscal stability. "We will not be sacrificing direct services. There will be changes but we will not be offering fewer services or diminished levels of care."

(Partly, continued from page 1)

that keeping the good mental health of employees is good business."

Marje Iafolla, of Iafolla Industries, a road construction and paving company in Portsmouth, praised Governor Merrill for signing SB767. "It is really important that the Governor signed this bill. We have had employees who needed mental health services. When they are treated they can return to work and have done very well. I can't imagine why any business would be against this."

Judith Bezler, owner of Judith Bezler Insurance Associates, Merrimack agrees. "This bill and

the small business insurance reforms will be excellent changes for small business. If I had employees with mental illness that was not being treated like any other medical concern, this would be a major productivity problem. Insurance companies found that Employee Assistance Programs cost money at the beginning but have ended up reducing claims. Now that we have a way of covering mental illness, I expect we will see savings in other medical claims. SB767 makes good business sense."

Book Review: Girl Interrupted

by Susannah Kaysen

What's it like to be labeled "crazy"? To find yourself locked up in a psychiatric ward at age 18? To be removed from the outside world for two years?

In sparse, insightful prose, Susannah Kaysen recreates the essence of this disruption. The title of this book comes from the title of a painting by Vermeer: *Girl Interrupted at Her Music*. "Interrupted at her music: as if life had been, interrupted in the music of being seventeen," reflects Kaysen.

In a series of bittersweet vignettes, she highlights perceptions of the other adolescent girls in the ward, the staff, the essence of her residence at McLean Hospital from 1967 - 1969.

There is humor mixed with pathos as this world within walls is opened. Of the student nurses she writes "When we looked at them, we saw alternative versions of ourselves. They were living out lives we might have been living, if we hadn't been occupied with being mental patients."

The book is interspersed with the brief medical and staff records of her stay, from admission to the final three page which states, "Borderline Personality — Recovered. Drug: Chlorpromazine."

Now 44, Kaysen lives in Cambridge, MA and has had two other books published. The hardcover edition of this book was so widely read when it was released last year, that it has been reissued in paperback. A film version is planned.

(A copy of this book has been donated to the AMI of NH Library.)

**NEED INFORMATION
OR SUPPORT?
CALL AMI of NH
Information Line
1-800-242-6264**

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Alliance for the Mentally Ill of Vermont

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State of Vermont Legislative Bill Tracking System 1997-1998 Legislative Session

NO. 25. AN ACT RELATING TO HEALTH INSURANCE FOR MENTAL HEALTH AND SUBSTANCE ABUSE DISORDERS.

(H.57)

Sec. 2. 8 V.S.A. § 4089b is added to read:

§ 4089b. HEALTH INSURANCE COVERAGE; MENTAL HEALTH AND SUBSTANCE ABUSE

(a) As used in this section,

(1) "Health insurance plan" means any health insurance policy or health benefit plan offered by a health insurer, as defined in 18 V.S.A. § 9402(7). Health insurance plan includes any health benefit plan offered or administered by the state, or any subdivision or instrumentality of the state.

(2) "Mental health condition" means any condition or disorder involving mental illness or alcohol or substance abuse that falls under any of the diagnostic categories listed in the mental disorders section of the international classification of disease, as periodically revised.

(3) "Rate, term or condition" means any lifetime or annual payment

limits, deductibles, copayments, coinsurance and any other cost-sharing requirements, out-of-pocket limits, visit limits and any other financial component of health insurance coverage that affects the insured.

(b) A health insurance plan shall provide coverage for treatment of a mental health condition and shall not establish any rate, term or condition that places a greater financial burden on an insured for access to treatment for a mental health condition than for access to treatment for a physical health condition. Any deductible or out-of-pocket limits required under a health insurance plan shall be comprehensive for coverage of both mental health and physical health conditions.

(c) A health insurance plan that does not otherwise provide for management of care under the plan, or that does not provide for the same degree of management of care for all health conditions, may provide coverage for treatment of mental health conditions through a managed care organization provided that the managed care organization is in compliance with the rules adopted by the commissioner that assure that the system for delivery of treatment for mental health conditions does not diminish or negate the purpose of this section. The rules adopted by the commissioner shall assure that timely and appropriate access to care is available; that the quantity, location and specialty distribution of health care providers is adequate and that administrative or clinical protocols do not serve to reduce access to medically necessary treatment for any insured.

(d) A health insurance plan shall be construed to be in compliance with this section if at least one choice for treatment of mental health conditions provided to the insured within the plan has rates, terms and conditions that place no greater financial burden on the insured than for access to treatment of physical conditions. The commissioner may disapprove any plan that the commissioner determines to be inconsistent with the purposes of this section.

(e) To be eligible for coverage under this section the service shall be rendered:

(1) For treatment of mental illness,

(A) by a licensed or certified mental health professional, or (B) in a mental health facility qualified pursuant to rules adopted by the secretary of human services or in an institution, approved by the

secretary of human services, that provides a program for the treatment of a mental health condition pursuant to a written plan. A nonprofit hospital or a medical service corporation may require a mental health facility or licensed or certified mental health professional to enter into a contract as a condition of providing benefits.

(2) For treatment of alcohol or substance abuse,

(A) by a substance abuse counselor or other person approved by the secretary of human services based on rules adopted by the secretary that establish standards and criteria for determining eligibility under this subdivision, or

(B) in an institution, approved by the secretary of human services, that provides a program for the treatment of alcohol or substance dependency pursuant to a written plan.

Sec. 3. REPORT

On or before January 15, 1999, the Department of Banking, Insurance, Securities, and Health Care Administration shall report to the general assembly on the following:

(1) An estimate of the impact of this act on health insurance costs.

(2) Actions taken by the department to assure that health insurance plans are in compliance with this act and that quality and access to treatment for mental health conditions provided by the plans are not compromised by providing financial parity for such coverage.

(3) When a health insurance plan offers choices for treatment of mental health and substance abuse conditions as provided by 8 V.S.A. § 4089b(d), an analysis and comparison of those choices in regard to level of access, choice and financial burden.

(4) Identification of any segments of the population of Vermont that may be excluded from access to treatment for mental health and substance abuse conditions at the level provided by this act, including an estimate of the number of Vermonters excluded from such access under health benefit plans offered or administered by employers who receive the majority of their annual revenues from contract, grants or other expenditures by state agencies.

Sec. 4. CONSTRUCTION; TRANSITIONAL PROVISIONS

(a) The provisions of this bill shall not be construed to:

- (1) Limit the provision of specialized Medicaid covered services for individuals with mental health or substance disorders.
 - (2) Supersede the provisions of federal law, federal or state Medicaid policy or the terms and conditions imposed on any Medicaid waiver granted to the state with respect to the provision of services to individuals with mental health or substance abuse disorders.
 - (3) Affect any annual health insurance plan until its date of renewal or any health insurance plan governed by a collective bargaining agreement or employment contract until the expiration of that contract.
- (b) The rules of the secretary of human services adopted under 8 V.S.A. § 4089, relating to eligibility for payment for treatment of mental illness, and adopted under 8 V.S.A. § 4099, relating to eligibility for payment for treatment of alcoholism, shall remain in effect until the effective date of this act and thereafter shall be deemed to be the rules adopted by the secretary under 8 V.S.A. § 4089b(e), to the extent that they are consistent with the provisions of this act and until amended or repealed by the secretary.

Sec. 5. REPEAL

8 V.S.A. § 4089 (mental illness) and §§ 4097-4099b (alcoholism) are repealed in regard to any health insurance plan only after the provisions of this act take effect in accordance with Sec. 6 of this act.

Sec. 6. EFFECTIVE DATE

This act shall take effect on passage and shall apply to any health insurance plan offered or renewed on and after January 1, 1998.

Approved: May 28, 1997

VERMONT

NO. 25. AN ACT RELATING TO HEALTH INSURANCE FOR MENTAL HEALTH AND
SUBSTANCE ABUSE DISORDERS.

(H.57)

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 8 V.S.A. § 4089a(g) and (h) are added to read:

(g) Members of the independent panel of mental health care providers shall be compensated as provided in 32 V.S.A. § 1010(b) and (c).

(h) A review agent shall pay a license fee for the year of registration and a renewal fee for each year thereafter of \$200.00. In addition, a review agent shall pay any additional expenses incurred by the commissioner to examine and investigate an application or an amendment to an application.

Sec. 2. 8 V.S.A. § 4089b is added to read:

§ 4089b. HEALTH INSURANCE COVERAGE: MENTAL HEALTH AND
SUBSTANCE ABUSE

(a) As used in this section,

(1) "Health insurance plan" means any health insurance policy or health benefit plan offered by a health insurer, as defined in 18 V.S.A. § 9402(7). Health insurance plan includes any health benefit plan offered or administered by the state, or any subdivision or instrumentality of the state.

(2) "Mental health condition" means any condition or disorder involving mental illness or alcohol or substance abuse that falls under any of the diagnostic categories listed in the mental disorders section of the international classification of disease, as periodically revised.

(3) "Rate, term or condition" means any lifetime or annual payment limits, deductibles, copayments, coinsurance and any other cost-sharing requirements, out-of-pocket limits, visit limits and any other financial component of health insurance coverage that affects the insured.

(b) A health insurance plan shall provide coverage for treatment of a mental health condition and shall not establish any rate, term or condition that places a greater financial burden on an insured for access to treatment for a mental health condition than for access to treatment for a physical health condition. Any deductible or out-of-pocket limits required under a health insurance plan shall be comprehensive for coverage of both mental health and physical health conditions.

(c) A health insurance plan that does not otherwise provide for management of care under the plan, or that does not provide for the same degree of management of care for all health conditions, may provide coverage for treatment of mental health conditions through a managed care organization provided that the managed care organization is in compliance with the rules adopted by the commissioner that assure that the system for delivery of treatment for mental health conditions does not diminish or negate the purpose of this section. The rules adopted by the commissioner shall assure that timely and appropriate access to care is available; that the quantity, location and specialty distribution of health care providers is adequate and that administrative or clinical protocols do not serve to reduce access to medically necessary treatment for any insured.

(d) A health insurance plan shall be construed to be in compliance with this section if at least one choice for treatment of mental health conditions provided to the insured within the plan has rates, terms and

conditions that place no greater financial burden on the insured than for access to treatment of physical conditions. The commissioner may disapprove any plan that the commissioner determines to be inconsistent with the purposes of this section.

(e) To be eligible for coverage under this section the service shall be rendered:

(1) For treatment of mental illness.

(A) by a licensed or certified mental health professional, or (B) in a mental health facility qualified pursuant to rules adopted by the secretary of human services or in an institution, approved by the secretary of human services, that provides a program for the treatment of a mental health condition pursuant to a written plan. A nonprofit hospital or a medical service corporation may require a mental health facility or licensed or certified mental health professional to enter into a contract as a condition of providing benefits.

(2) For treatment of alcohol or substance abuse.

(A) by a substance abuse counselor or other person approved by the secretary of human services based on rules adopted by the secretary that establish standards and criteria for determining eligibility under this subdivision, or

(B) in an institution, approved by the secretary of human services, that provides a program for the treatment of alcohol or substance dependency pursuant to a written plan.

Sec. 3. REPORT

On or before January 15, 1999, the Department of Banking, Insurance, Securities, and Health Care Administration shall report to the general assembly on the following:

(1) An estimate of the impact of this act on health insurance costs.

(2) Actions taken by the department to assure that health insurance plans are in compliance with this act and that quality and access to treatment for mental health conditions provided by the plans are not compromised by providing financial parity for such coverage.

(3) When a health insurance plan offers choices for treatment of mental health and substance abuse conditions as provided by 8 V.S.A. § 4089b(d), an analysis and comparison of those choices in regard to level of access, choice and financial burden.

(4) Identification of any segments of the population of Vermont that may be excluded from access to treatment for mental health and substance abuse conditions at the level provided by this act, including an estimate of the number of Vermonters excluded from such access under health benefit plans offered or administered by employers who receive the majority of their annual revenues from contract, grants or other expenditures by state agencies.

Sec. 4. CONSTRUCTION; TRANSITIONAL PROVISIONS

(a) The provisions of this bill shall not be construed to:

(1) Limit the provision of specialized Medicaid covered services for individuals with mental health or substance disorders.

(2) Supersede the provisions of federal law, federal or state Medicaid policy or the terms and conditions imposed on any Medicaid waiver granted to the state with respect to the provision of services to individuals with mental health or substance abuse disorders.

(3) Affect any annual health insurance plan until its date of renewal or any health insurance plan

governed by a collective bargaining agreement or employment contract until the expiration of that contract.

(b) The rules of the secretary of human services adopted under 8 V.S.A. § 4089, relating to eligibility for payment for treatment of mental illness, and adopted under 8 V.S.A. § 4099, relating to eligibility for payment for treatment of alcoholism, shall remain in effect until the effective date of this act and thereafter shall be deemed to be the rules adopted by the secretary under 8 V.S.A. § 4089b(e), to the extent that they are consistent with the provisions of this act and until amended or repealed by the secretary.

Sec. 5. REPEAL

8 V.S.A. § 4089 (mental illness) and §§ 4097-4099b (alcoholism) are repealed in regard to any health insurance plan only after the provisions of this act take effect in accordance with Sec. 6 of this act.

Sec. 6. EFFECTIVE DATE

This act shall take effect on passage and shall apply to any health insurance plan offered or renewed on and after January 1, 1998.

Approved: May 28, 1997

ANSWERS TO COMMONLY ASKED QUESTIONS ABOUT MENTAL HEALTH PARITY



What is mental health parity?

In Vermont mental health parity refers to the law that requires your health insurance to cover mental health and substance abuse services at no greater cost to you than insurance for other health services.

So what does "parity" really mean?

The law eliminates separate and unequal deductibles and out-of-pocket costs for mental health and substance abuse services. Instead, it requires comprehensive combined deductibles and out-of-pocket costs for mental health, substance abuse and all other health care services. It also eliminates arbitrary visit limits and dollar maximums.

Why is parity important to me?

Before the parity law, insurance for mental health and substance abuse services often provided very limited coverage and cost considerably more than insurance for other health conditions. As a result, persons with serious mental health or substance abuse conditions often found themselves in need of treatment but without the means to pay for it, even if they had health insurance. Under the new law these services must be available, and at no greater cost to you than any other kind of health care service.

Does this law apply to all health insurance plans?

Yes. It applies to all health plans offered by Vermont insurance companies, including HMOs. The Vermont law does not, however, apply to employers who pay their employees' health care costs themselves (self-insured companies). The state cannot regulate self-insured companies because they are regulated by the federal government.

Does this mean that if I work for a self-insured employer I won't get parity in mental health insurance?

Not entirely. First, some self-insured companies may choose to offer financial parity voluntarily. In addition, there is a federal parity law that applies to self-insured companies that employ 50 or more people. This law provides partial parity by prohibiting lifetime and annual dollar limits for mental health services. But the federal law applies only to mental health services. It does not cover treatment services for substance abuse.

Are plans allowed to sell different types of mental health benefit packages?

The law requires your insurance plan to cover mental health and substance abuse services in a way that is financially equal to what the company pays for your other health services. Plans are also allowed to offer other treatment choices at different out-of-pocket costs than parity, however, so long as at least one of your options meets the financial parity test. For example, plans may offer a "point of service" option, allowing you to use a provider who is not on your plan's list, but you may have to pay more for this.

What about managed care? I have heard that the insurance company can require me to go through managed care for my mental health services.

The law permits the plans to use managed care for mental health services. This is true even if the plan does not require managed care for other health services.

So, how do I know I will be able to get the services I need when I need them?

Vermont laws and regulations set strict consumer safeguards to prevent you from having to deal with unnecessary delays or barriers to getting appointments for the services you need, at the right time and with the right professional or treatment program. The health plans that use managed care for their mental health services are required to have enough network providers so that you can get appointments in your area in a reasonable time.

When does the law go into effect?

On January 1, 1998 for all new insurance policies. If you had a health insurance policy before January 1, parity is required when your policy is renewed. If you receive your insurance through a collective bargaining agreement or an employment contract, parity must be provided when the agreement or contract is renewed.

What if I have Medicaid or Medicare? Does parity apply?

The Office of Vermont Health Access (formerly Medicaid) provides for mental health and substance abuse parity in its health benefit packages. However, neither the Vermont parity law nor the federal parity law applies to Medicare.

How do I find out if I'm entitled to parity?

If your insurance is provided through your employer, talk with the person at your work who is most familiar with your health insurance plan. Ask what date the health insurance contract is renewed. Ask that the insurance company verify when parity will apply to you. Remember, parity applies in most cases, except when your employer is self-insured.

If you pay for your own insurance, or are insured through the Office of Vermont Health Access, call your insurance company and ask them to explain how parity will work in your case. If you have any questions, you can always call the Division of Health Care Administration's toll-free consumer help line at 1-800-631-7788.

What if I have been denied coverage for mental health or substance abuse services that I think are necessary?

FIRST, talk with your mental health or substance abuse treatment professional. Ask him or her to help you understand the plan's decision. If you receive mental health or substance abuse services through a managed care plan, Vermont rules permit your health care professional to talk freely with you about your health care needs and treatment options. You may also ask your health care professional to advocate on your behalf. You always have the right to know why payment for a service has been denied.

SECOND, call your insurer or managed care plan and ask that the decision be reviewed through its complaint (grievance) system. You always have the right to appeal a decision to deny coverage. State rules require all health insurance plans to make decisions on appeals relating to mental health or substance abuse services within 24 hours (for emergencies) or within 10 days (all other

appeals).

THIRD, if you are unhappy with the company's final decision, you have the right to ask the Independent Panel of Mental Health Providers to review your case. Their number is 802-828-3301. This is a group of mental health professionals who will review your case. If the Independent Panel members agree that the services you are asking for are medically necessary, they will require your plan to pay for the services.

Need more information? Need help?
Call the Division of Health Care Administration's
Consumer Help Line anytime:
1-800-631-7788

If you need this flyer in an alternative format please call 1-800-631-7788.

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