

# AMERICAN ACADEMY OF CHILD & ADOLESCENT PSYCHIATRY

## Equitable Health Care Coverage for Mental Illnesses

**ISSUE:** One of the key barriers to treatment for children and adolescents with mental illness is a lack of parity in insurance coverage for mental illness. Children and adolescents with mental illnesses generally pay higher co-payments, are allotted limited visits and have higher deductibles for treating their mental illnesses compared to physical illnesses. Discriminatory coverage, including limiting the number of inpatient and outpatient visits, and higher co-pays and deductibles for children and adolescents, is uniquely counterproductive. Reducing treatment options contributes to missed school days, increases involvement with the juvenile justice system and can lead to suicide attempts. Too often, a misperception of the cost of mental health coverage prevents access to care, but the cost of not treating a child with a mental illness has proven to be much more expensive for the long term.

Children with mental illnesses tend to be high service consumers and are often involved in multiple agencies. They pose a challenge to managed care systems because they require services at various levels of intensity for extended periods of time. As a result, these children are often left underserved and responsibilities for care are shifted to other systems such as special education, child welfare or juvenile justice. With early intervention and treatment, children will live healthier, productive lives into adulthood.

**THE SOLUTION: The Mental Health Parity Act** would require group health plans to provide equitable coverage for mental health benefits. The bill:

- Expands the Mental Health Parity Act of 1996 by prohibiting group health plans from imposing treatment limitations or additional co-payments on the coverage of all mental illnesses.
- Applies only to group health plans already providing mental health benefits.
- Does not apply to any group health plan (and group health insurance coverage offered in connection with a group health plan) for an employer with less than 50 employees.

**COST:** A March 2006 study, published in the *New England Journal of Medicine*, concluded that “when coupled with management of care, implementation of parity in insurance benefits for behavioral health care can improve insurance protection without increasing total costs.” The Congressional Budget Office (CBO) estimates that managed nondiscriminatory mental health benefits will increase average premiums by less than 1% the cost of the average benefit. Today, approximately 85% of all privately insured families, and a growing number of those covered by Medicaid, are in a managed health care plan. Children are being enrolled in managed care plans at a higher rate than adults and represent a disproportionately larger number of managed care members. The current efforts to contain costs increase the risk of compromises in the quality of care for a population that is still growing.

**AACAP POSITION:** The AACAP strongly urges support of the Mental Health Parity Act S. 558/H.R. 1424. **The AACAP urges Congress to set aside their difference in the competing version of the legislation and to pass a strong mental health parity bill that can be sent to the President in 2008.**

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DOCUMENT TITLE