

PARITY: WE NEED A HERO IN NEW YORK STATE

By

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President Bush has announced that he favors mental health parity--equal health insurance coverage for mental illness as for physical illness. He is working to broker a compromise between the House of Representatives, which has rejected parity, and the Senate, which supports it. His leadership is particularly important because opposition to parity comes primarily from members of the Republican Party, who reflect the concerns of the business community that parity will drive up their health costs. Hopefully, he can lead House Republicans to improve access to mental health services and to reject discrimination against people with mental illness.

The political stalemate that has paralyzed the federal government on parity has also paralyzed New York State. Here, the Assembly has passed comprehensive legislation to assure full coverage for the treatment of mental illnesses and substance abuse. But the Senate has taken no action because of concerns about the impact on business. The issue--which could and should be bipartisan--languishes.

Parity matters because of the terrible impact lack of parity has on people's lives. For example, the Smiths (a composite of typical cases) have a 16-year-old son who suffers from bipolar disorder. Sometimes he is too depressed to get out of bed in the morning. Sometimes his mind rushes with thoughts and feelings he cannot contain and he cannot pay attention long enough to study. Occasionally he has needed treatment in a hospital and has used up the 30 days of hospitalization his parents' health insurance will cover. When he is not in the hospital, he needs outpatient treatment at least once a week, but his parents' insurance only covers 50% of the cost of 20 visits a year. The Smiths--middle-class, working people--cannot afford thousands of dollars a year. Their choices? Run themselves into poverty to become eligible for Medicaid, don't provide adequate treatment for their son, or put him into foster care to make him eligible for Medicaid. Terrible choices!

Alice Jones (another composite of typical cases) is 31 years old. She has borderline personality disorder, which she has learned to manage with the help of medication and cognitive-behavioral therapy. When she was younger, she received public assistance and Medicaid because she was classified as disabled. Now she works and has mental health insurance coverage through work. She too faces a 30-day annual cap on hospitalization and a 20-visit cap on outpatient treatment with a 50% co-pay. The costs of treatment for her mental illness force her to scrimp to get by, but she is determined to stay off public assistance and to live independently.

In both these situations parity of mental health with health coverage would save people from terrible circumstances. Being mentally ill or having a family member who is mentally ill would not ruin their lives.

But many employers, who bear the costs of health insurance are afraid that providing parity will drive up their costs and hurt their businesses.

It turns out, however, that they are wrong. Yes, studies indicate that providing parity will increase costs a bit. The National Institute of Mental Health commissioned a study which projects increases of roughly 1.5%. In New York State, an advocacy organization known as Fair Insurance Today (FIT) commissioned a study by Price, Waterhouse, Coopers, which projects that the comprehensive parity bill passed by the Assembly would increase costs 0.8%--\$1.26 per month per person.

Although cost increases would be minimal, opponents of parity argue that health insurance costs without parity are going up 10-15% this year--the third year in a row of double-digit inflation. Why, they ask, add any cost at all, even if it is 0.8%?

The answer is that the employers do not have to bear the costs themselves. FIT also commissioned a survey by Zogby International, which showed that roughly 80% of New Yorkers favor parity and would be willing to pay \$1.26 per month to have parity.

It is very important to understand that for the costs of physical health coverage employers try to contain their costs with cost sharing. They do not suggest limiting coverage for--say--cancer so as to hold costs down. But for mental health, the solution is to limit coverage. This reflects continuing discrimination against people with mental illness.

To overcome this discrimination and to provide access to mental health services, we need heroes to lead the way. President Bush has promised leadership at the federal level. We hope that Governor Pataki will follow the President and provide the leadership we need in New York State.