Mental Health Benefits Get Boost from Federal Law

Hospital Leader Discusses Impact of New Legislation

Brian L. Fitzsimmons, executive director of St. Vincent's Hospital Westchester, spoke with *Health Progress* about the new mental health parity legislation signed into law by President George Bush on Oct. 3, 2008, as part of the $700 billion financial rescue package. Fitzsimmons is a longtime advocate on behalf of persons with psychiatric illnesses and problems related to substance abuse. The legislation requires companies offering insurance to pay the cost of treatments for both physical and mental illnesses to provide equal benefits for both. The law goes into effect Jan. 1, 2010, and applies to companies with more than 50 employees.

HP: This has been a long battle for people concerned about insurance payments for mental illness and addiction disorders. Please talk a little about the battle from your perspective and describe the gains represented by passage of this bill.
Fitzsimmons: This has been an issue throughout my whole career. There has been a progressive process in recognizing the need for parity for mental health and substance abuse that, in my mind, traces the growing acceptance in our society of the fact that psychiatric problems and substance abuse are true illnesses. That is finally being given recognition in law.

HP: Isn't it true, though, that most states had required parity before this federal legislation was passed? And wasn't there a 1996 federal law requiring parity? So why was new legislation needed?
Fitzsimmons: Yes, prior to passage of this legislation, many states had created parity — a clear sign that this federal legislation had been in process for many, many years. The difficulty was that laws in each state were not the same, so there was disparity across states. The value of the federal law is that it will preempt state laws if they are not up to the federal level and create a minimum standard that applies across the country. But if some states already offer additional benefits, those would still be in place.

The 1996 federal law required parity for annual and lifetime dollar limits. But then insurers started putting in higher co-payments and higher deductibles for mental health and substance abuse, and to limit the number of patient visits. It was very common to have, for example, a very high co-payment or deductible, say 50 percent, on the psychiatric side, compared with much lower deductibles and co-payments on the medical side.

HP: So while there was parity at the highest level — in the total outlay an insurer would provide for the two types of illnesses — it would take a lot longer for those with psychiatric illnesses to access that money because insurers would spend less on any one episode or treatment.
Fitzsimmons: Yes. And what the present bill does is amend the 1996 bill to apply the same financial standards across the board to mental health plans — the same co-payments, deductibles, the same limits on number of visits. So in essence, if an insurer is going to apply certain financial standards, like deductibles, co-payments, co-insurance, out-of-pocket expenses, for medical/surgical treatments, they have to be comparable with the financial standards for treatments related to mental health and substance abuse. In addition, if you're going to place limits on treatment, for example, frequency of treatments, number of visits, days of coverage, they have to be the same between the two groups.


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HP: What has happened to bring about this change?
Fitzsimmons: You might remember that during first term of President George W. Bush, he had indicated he was supportive of the type of legislation that just passed. Unfortunately, it has taken this long. I think a number of things have come into play over the past eight years. Particularly since 9/11, there has been a greater openness and acceptance of psychiatric conditions. I mention 9/11 because in certain parts of

Brian L. Fitzsimmons

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Saint Vincent Catholic Medical Centers has 212 in-patient beds for patients with psychiatric or addiction-related illnesses, with a 97 percent occupancy rate annually, and operates two outpatient treatment facilities, where visits total 250,000 per year. Additionally, the Westchester facility operates five opioid treatment programs, with about 300,000 outpatient visits, and provides about 600 residential options for individuals with psychiatric illness, including supervised post-treatment housing for people with ongoing psychiatric problems or recovering from substance abuse.

the country, New York certainly, and also Washington, D.C., there's been a rise of anxiety disorders and depression as a result of threats of intended harm. People have a greater understanding of these conditions and realize they are not something to be ashamed of, not something people have to hide. Advertising by drug companies has also made a difference in helping society to accept the reality of these conditions and their treatability.

HP: What about the financial impact of the new law? Wasn't there a lot of resistance based on the potential costs?

Fitzsimmons: That's the other thing that has changed. There have been numerous studies over the past 10 years showing that increasing benefits for people with psychiatric illnesses and substance abuse problems does not significantly impact financially on the cost of providing health care. In fact, not treating substance abuse and psychiatric illness frequently adds to the cost of health care. If people go untreated, frequently what happens is that a more intense intervention is required. And there are situations in which if you don't treat a psychiatric condition, it can slow the process of recovery, even for a physical condition. It is well accepted today, for instance, that following heart surgery or a heart attack, depression is common, and if don't treat the depression, it is going to prolong recovery from the medical problem.

HP: Who are the heroes in this bill?

Fitzsimmons: There have been some real champions, like (the late) U.S. Sen. Paul Wellstone (D-Minn.), and U.S. Rep. Patrick Kennedy (D-R.I.), and U.S. Sen. Pete Domenici (R-N.M.) who have been sensitized to the issues, and finally were able to coalesce and work with other members of Congress and move forward. I believe they crafted a bill at a time when insurance companies were coming to accept the reality.

HP: Are there any loopholes in the bill this time around?

Fitzsimmons: Estimates indicate the new legislation should not increase premium costs by more than 1 percent. If, in fact, it turns out that that premiums will go up more than 1 percent for a given group because of added expenses related to treatment for mental health — and if a company can demonstrate that is the reason for the higher cost — it will be possible to seek a modification or an exemption. That's built into the bill.

HP: And the new law allows companies to opt out of mental health coverage entirely, doesn't it? While it requires companies with more than 50 employees to give parity if they provide benefits for both mental health and medical/surgical treatments, it doesn't require companies to offer mental health benefits in the first place. Do you think some will drop mental health benefits as a result?

Fitzsimmons: It is a concern. But increasingly, people are recognizing that problems related to mental health and substance abuse affect a large proportion of their workforce. Hopefully, employers will realize that paying for mental health will benefit them by increasing productivity and attendance. More and more companies are paying for this type of coverage because they realize that treating these conditions benefits everyone. You don't want to lose good, talented people because of a condition that can be treated.

The hope is that as this legislation begins to be lived in our country, it will be recognized that this is just good policy and good common sense.

HP: Do you have a wish list — a hope for something that might happen after this legislation goes into effect; some next steps in mind?

Fitzsimmons: My wish is that this would bring more people into treatment earlier, that people will not wait until the illness is more advanced. That has to be good for employers, for our workforce, for our society. ■

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