



## Whole Health Campaign Policy Brief: *Ensuring Universal Coverage*

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### *The Necessity of Universal Coverage*

Universal insurance coverage is the foundational issue for national health reform. Without such coverage, the other key features of national health reform, such as implementation of broad-based health promotion and prevention strategies, will not be successful. Hence, it is very important that we understand the nature of the uninsured and underinsured populations who have mental health and substance use conditions, and that national health reform address these insurance deficits.

Because people with mental health conditions or substance use disorders are more likely to be uninsured or underinsured than the national average, it is particularly important for health care reform to address the coverage needs of this population.

### *The Uninsured Population*

**Children and Adolescents:** Even with recent State Children's Health Insurance Program (SCHIP) expansions, an estimated 10% of children and adolescents, 8 million, remain uninsured (many of these children are eligible but not enrolled). Federal research indicates that at least 20% of these children and adolescents will have a diagnosable mental health or substance use condition in any given year. Thus, we can estimate that at least ***1.6 million uninsured children require mental health or addiction services but cannot access them.***

**Adults:** The number of uninsured adults can be estimated conservatively at 37 million, or about 20% of the adult population under age 65. Recent research indicates that fully one-third of these individuals, ***more than 12 million uninsured people, have mental health or substance use conditions.*** This rate is considerably higher than the annual prevalence of these conditions in the adult population, which is estimated at approximately 25%, and is approximately double the national uninsurance rate among adults..

The economic crisis is expected to significantly increase the number of people who are un- or underinsured. When families lose their employer-provided health insurance, many are unable to afford to continue their coverage under COBRA, much less to purchase a new plan on the open market. Estimates for this population range as high as 20 million over the next two years.

### *The Underinsured Population*

**Children and Adolescents:** An estimated *50% of children and adolescents*, approximately *40 million*, are underinsured for mental and substance use conditions. Frequently, this underinsurance relates to a lack of coverage for health promotion and prevention interventions; for a smaller subset, between 9-13% of this group, the underinsurance relates to a lack of coverage for serious mental illness or substance use disorders.

**Adults:** Limitations on *Medicare, Medicaid and other federal programs* have a significant impact on persons with mental and substance use conditions.

- Because people whose primary disability is a substance use disorder are ineligible for the Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) programs, they often face worse health outcomes and rely on over-extended safety net services. This population of adults can be conservatively estimated at 6 million.
- Since Medicaid coverage can vary depending on income, age, parenthood, or disability status, coverage is frequently discontinuous. In effect, this means that a subgroup of the Medicaid population is without any health insurance each month. Furthermore, addiction services are optional for states, and many states opt not to cover these services at all. There is a great deal of variety between the levels of coverage provided in states that do offer Medicaid coverage for addiction services.
- Medicaid's Institutions for Mental Diseases (IMD) Exclusion prohibits Medicaid funding for patients receiving mental health or addiction treatment at facilities with over 16 beds. The IMD Exclusion should be re-examined and modified as needed to ensure that it meets the needs of patients seeking mental health or addiction services.
- People incarcerated in federal, state and local prisons have mental health conditions and substance use disorders at rates far above the federal average; it is conservatively estimated that 2-3 million people in prison require mental health or addiction services. Far too often, this population does not receive this needed care, which in turn increases the likelihood that they will not be able to successfully transition to life outside of prison.

**Prevention and Health Promotion:** Many health plans fail to encourage adequate prevention, health promotion, screenings and brief interventions for people with mental health conditions and substances use disorders. The cost-savings that arise from prevention and early intervention are enormous. The overall size of the population that is not adequately insured for these services is estimated to be *100 million adults*.

### *“Coverage” versus “Access”*

Finally, it is important to recognize that private insurance often covers mental health and substance use disorders differently than other medical conditions. Treatment limitations are often more restrictive, and cost-sharing is often more burdensome. As a result, the number of people who are underinsured for mental health and substance use disorders is far greater than the number underinsured for most other medical conditions.

The Wellstone-Domenici Mental Health Parity and Addiction Equity Act of 2008, which goes into effect in January 2010, is intended to end the practice of discriminatory financial requirements and treatment limitations. This law will give millions of Americans fairer coverage for mental health and addiction services.

However, it is important to recognize that a distinction exists between *coverage* (i.e. benefits) and *access*. The experiences of state-level parity laws and the Federal Employee Health Benefits Program show that equality of benefits does not necessarily lead to improved access to services. Health plans' medical management tools (especially the use of medical necessity criteria) can severely restrict the type of treatment that beneficiaries are able to access, even if it is "covered." This problem is most effectively addressed by requiring that clinicians have the ability to determine levels of care in accordance with evidence-based clinical criteria.

### ***Recommendations***

The Whole Health Campaign recommends strongly the following actions regarding insurance coverage for mental and substance use conditions:

1. Any minimum or basic benefit package includes equitable and full coverage for substance use disorders and mental illnesses at parity with coverage of other chronic health conditions.
2. Care provided through healthcare reform, including the full range of mental illness and substance use disorder benefits, is fully accessible and available to all those in need.
3. The provision of quality mental illness and substance use disorder prevention, treatment and recovery services and practices is promoted and supported.
4. Individuals with mental illness and/or substance use disorders have access to the full array of services appropriate for recovery from these chronic health conditions.

### **Specific Reform Recommendations on Mental Health and Substance Use Care and Prevention**

Three documents have been prepared to define in detail the specific recommendations of the mental health and substance use fields around national health reform. These three documents are:

Benefit Design and Delivery of Care  
Reforming the Healthcare Delivery System  
Wellness Promotion and Chronic Disease Prevention Initiatives

We will be glad to provide either an e-version or paper copy of each of these documents.

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