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House Bill 501 (Senfronia Thompson): Relating to the requirement and study of insurance coverage for serious emotional disturbance of a child.

NAMI Texas is a nonprofit 501(c)3 organization founded by volunteers in 1984. We are part of the nation's largest grassroots mental health organizations and we exist to help improve the quality of life for individuals with mental illness and their families. Around the state, we have 27 local NAMI affiliate organizations and approximately 2,000 members.

Mental Health Parity

The Mental Health Parity and Addiction Equity Act of 2008 requires that “plans cannot have more stringent visit limits or higher cost-sharing on mental health and substance use services than for comparable medical services. In addition, medical management policies, such as prior authorization and utilization review, cannot be materially different from those imposed on other medical benefits.”¹

The Affordable Care Act of 2010 mandated insurance companies cover Essential Health Benefits in individual and small group plans, which includes mental health and substance use disorder treatment. Together, these laws are designed to ensure consumers receive mental health and substance use treatment benefits and that these benefits are as accessible as they would be for any other medical treatment that insurance covers.¹

Texas House Bill 10 in the 85th legislative session strengthened state requirements around mental health and substance use disorder parity. House Bill 10:

- Created a Behavioral Health Access to Care Ombudsman to monitor issues around enforcing parity laws and aiding consumers and providers in filing complaints and appeals.
- Required parity coverage for mental health conditions and substance use disorders and provided Texas Department of Insurance with authority to enforce and regulate state-regulated plans.
- Required Texas Department of Insurance and Health and Human Services to study the implementation of parity enforcement for both public and commercial health plans.
- Created the Mental Health Condition and Substance Use Disorder Parity workgroup as a subcommittee of the Behavioral Health Advisory Committee.

Prior to these state and federal protections, individuals experiencing mental health and substance use disorders were regularly denied affordable coverage. The insurance industry's practice of underwriting, or screening insurance applicants for treatment needs, led to exclusion of people with mental health or substance use disorders from health plans, higher premiums, or exclusionary riders that eliminated coverage of treatment services.¹

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Serious Emotional Disturbance in Code

Serious mental illnesses are currently protected under parity laws in Texas. A serious mental illness (SMI) is defined in Insurance Code (§1355.001) as:

- bipolar disorders (hypomanic, manic, depressive, and mixed);
- depression in childhood and adolescence;
- major depressive disorders (single episode or recurrent);
- obsessive-compulsive disorders;
- paranoid and other psychotic disorders;
- chizo-affective disorders (bipolar or depressive); and
- Schizophrenia.
- Based on the American Psychiatry Association’s Diagnostic and Statistical Manual (DSM)
- Defined by the Federal Register as only applying to those ages 18 or older

A serious emotional disturbance is defined in the Texas Administrative Code, Health Service, §416.3 as “a diagnosed mental health disorder that substantially disrupts a child's or adolescent's ability to function socially, academically, and emotionally.” and applies to individuals under age 18. This may include a range of mental health disorders similar to the definition for a serious mental illness. However, serious emotional disturbance is not defined in the Texas Insurance Code.

This bill would provide more clarity for health plans for what issues may qualify as a serious emotional disturbance by providing this detailed definition in code and outlining how treatment should be covered under health plans.

Prevalence and Access to Care

Serious emotional disturbances are not uncommon in Texas, but treatment is often not accessible to those in need.

- Over half a million children in Texas have been diagnosed with a serious emotional disturbance.²
- About 300,000 of those children are living in poverty.²
- Over one in ten children with private insurance in Texas did not have coverage for mental or emotional problems, which is higher than the national average.³
- At 14.3 percent (compared to 25.1 percent nationally), Texas has one of the lowest rates of youth with major depression receiving consistent mental health treatment. Limited health coverage contributes to this low rate.³

Conclusion

Texas has committed itself to insurance parity, to ensuring its residents receive necessary mental health and substance use disorder treatment, but we still have work to do in ensuring protections for the mental health needs of our youngest Texans. By passing this bill, we can pass along the same protections we ensured in House Bill 10 to set our children up for success.

References

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2. Holzer, C., Nguyen, H., Holzer, J. (2015). Texas county-level estimates of the prevalence of severe mental health need in 2012. Dallas, TX: Meadows Mental Health Policy Institute.
3. Mental Health America (2018). State of Mental Health in America. Retrieved from <http://www.mentalhealthamerica.net/issues/state-mental-health-america>.