

The Charter Oak Health Plan Undercuts Mental Health Parity

Support HB 5617 to Fix This Problem

What is CT's Mental Health Parity Law?

CT's current Mental Health Parity Law mandates that coverage for mental health services cannot cost more than medical and surgical coverage (co-pays, deductibles and coverage limits must be the same for medical and mental health services). CT is currently regarded by experts as having one of the strongest mental health parity laws in the nation.

What exactly is the Charter Oak Health Plan?

The Charter Oak Health Plan was put forth by Governor Rell as "the answer to the state's health care problem." It is a commercial insurance product with some state subsidies intended to reach uninsured adults ages 18-64 who do not qualify for other state or private insurance plans. The plan will provide subsidies to individuals whose incomes are less than 300% of the federal poverty level.

The Charter Oak Health Plan includes behavioral health and substance abuse services that will be administered through an Administrative Services Organization (ASO) called Value Options, *but the Department of Social Services has confirmed that mental health parity is the only insurance mandate that the plan will not be required to follow.* They have also informed the public that there will be "limitations" and "stipulations" on coverage for outpatient and inpatient mental health services.

Why is Mental Health Parity being Excluded?

According to the Commissioner of the Department of Social Services, mental health parity is excluded because it will "dramatically increase the target premium." *Several reports, however, show that mental health parity has an insignificant impact on cost.* The Congressional Budget Office agrees and reports a 0.4% estimated cost impact (see CBO's enclosed summary) to implement mental health parity. They also point to the fact that "none of these analyses consider the effect of cost offsets from savings in other healthcare services, such as the potential for reduced visits to primary-care doctors or emergency rooms."

State Planning Documents Point to Discrimination. The plan was intentionally designed to reduce the likelihood that people who have serious health conditions, such as mental illness and physical disabilities, would be able to utilize it. This directly relates to limits on mental health benefits and prescription drug coverage, and the decision to exclude mental health parity from the list of mandates that they have agreed to.

What are the Consequences of Excluding Mental Health Parity from the Plan?

If the Charter Oak Health Plan is approved as is, CT will be the only state in the region with a health plan for uninsured residents that does not follow our own law.

The Charter Oak Health Plan sets a dangerous precedent by excluding the state's mental health parity consumer protection mandate and placing limits on outpatient and inpatient mental health care and could negatively affect parity laws across the country.

How does HB 5617 Affect Mental Health Parity in the Charter Oak Health Plan?

HB 5617 mandates that the plan include the mental health parity requirements. The state must not back an insurance plan that treats mental health care differently than other health care and systemically excludes those most need of its services!

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