With mental health insurance, price matters

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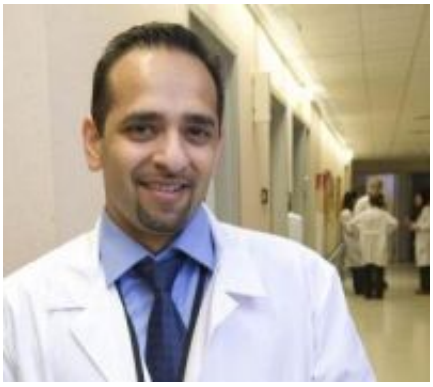

Amal Trivedi, M.D.

More people who need mental health services will seek follow-up care if the price is right, Brown University researchers have found.

After an initial hospitalization, people who suffer from mental health disorders will pursue follow-up care more often if their out-of-pocket costs are brought down to the same level as their primary care co-payments. What's more, overall costs will drop and the quality of care for the mentally ill will improve if policy-makers and insurers widely adopt the practice, according to a new study by Brown University researchers that counters prevailing research on the topic.

"This has been one of the most hotly debated topics in health policy over the last decade," said Amal Trivedi, M.D., assistant professor of medical science in the Department of Community Health at The Warren Alpert

Medical School of Brown University. "What we found is that health plans that have equivalent benefits for mental health and primary care have markedly higher rates of appropriate mental health service use."

Trivedi's paper on the subject, "Insurance Parity and the Use of Outpatient Mental Health Care following a Psychiatric Hospitalization," will be published Dec. 24 in the *Journal of the American Medical Association (JAMA)*. Trivedi, the lead author, conducted his study with Brown post-doctoral fellow Shailender Swaminathan and Vincent Mor, chair of the Department of Community Health at Brown.

Trivedi's findings counter previous research that showed insurance parity producing only a modest effect on the use of mental health services.

"When plans drop parity, when they make mental health services more expensive for enrollees, the use of appropriate care falls dramatically," he said. "People are much more price-sensitive to mental health services than what we found for other health services such as mammograms."

To conduct the study, Trivedi and his colleagues reviewed cost-sharing requirements for outpatient mental and general medical services for 302 Medicare health plans from 2001 to 2006, involving nearly 44,000 patients who had been hospitalized for a mental illness.

They measured the proportion of enrollees who received an outpatient mental health visit between seven and 30 days after a hospitalization for a mental illness.

What they found: More than 75 percent of Medicare plans covering nearly 80 percent of Medicare enrollees required higher co-payments for their mental health care compared to primary or specialty care. But the adjusted rate of follow-up care within a month of a psychiatric hospitalization was nearly 11 points higher in plans where patient out-of-

pocket costs were the same for both mental health and primary care, versus plans where out–of-pocket costs were higher for mental health coverage than for primary and specialty care.

Among plans that dropped parity, follow-up visits for psychiatric care within a month of an initial hospitalization dropped nearly 8 percentage points. But the rate of follow-up jumped 7.5 percent in plans where parity remained. Having equivalent primary care and mental health copayments was particularly important for people living in areas with low income and education levels.

The study is significant because most Medicare health plans require greater co-payments or impose special restrictions for the use of mental health services. If mental health co-payments are equal to primary care co-payments, patients will more likely seek timely outpatient care after an initial psychiatric hospitalization. And if that happens, the study's writers conclude, the appropriate outpatient care will reduce the chances of return visits to the hospital, which are far more expensive.

The paper comes at a crucial time in the debate over mental health parity. Advocates have pushed for years to advance the concept, where co-payments and visit limits are equivalent to those for other types of medical care.

In October, Congress included a mental health parity provision as part of the $700 billion bailout it approved to rescue the nation's troubled financial industry. The provision requires group health plans with more than 50 employees choosing to offer mental health coverage to cover mental illnesses on par with other medical illnesses. A similar measure in July established parity in insurance coverage for mental health services in Medicare Part B.

Source: Brown University