

Will Health Insurance Reform in the United States Help People With Schizophrenia?

Howard H. Goldman*

Department of Psychiatry, University of Maryland School of Medicine, 3700 Koppers Street, Suite 402, Baltimore, MD 21227

*To whom correspondence should be addressed; tel: 301-983-1671, e-mail: hh.goldman@verizon.net

For the most part, people with a diagnosis of schizophrenia will benefit from the recent health insurance reform legislation in the United States. They will have access to health insurance either through work or by qualifying for a range of public and private plans never before available to them. If they have very limited means—or become poor because of their condition—they will become eligible for subsidies to pay for health insurance premiums. Perhaps most important of all, they will not be disqualified from health insurance because of a pre-existing condition, as schizophrenia would have been considered prior to the new legislation.

There are many other specific aspects of the reform that will be phased in over the next 3 or 4 years, including providing access to parental insurance for children until they are 27 years of age and improving the coverage for pharmaceuticals in part D of Medicare by closing the so-called “donut hole” in the drug benefit.

These general health insurance reform benefits have special advantages for individual with a diagnosis of schizophrenia. Eliminating exclusions for preexisting conditions and extending parental coverage until age 27 expands access for individuals when the onset of illness typically is in the teens and early 20s. Young people with schizophrenia no longer have to apply for disability benefits in the Social Security Disability Insurance (SSDI) program or in the Supplemental Security Income (SSI) program in order to qualify for health insurance in the Medicaid or Medicare programs. Low levels of employment for people with schizophrenia will no longer create a special barrier to health insurance traditionally obtained as a workplace benefit. If they are poor, single individuals may now apply for Medicaid before they meet the criteria for SSI. If they are working, their employers will have incentives to provide insurance for them as a benefit. Given the impoverishing effect of schizophrenia, affected individuals with limited means will have access to subsidies to pay for individual insurance, if it is not provided through their workplace or they do not otherwise qualify for Medicaid. This will mean access to early intervention services before

schizophrenia becomes disabling. And if they do become disabled and qualify for SSDI, Medicare will now be a better benefit because of general improvements in part D and special improvements in the mental health benefit that began with legislation in 2008.

Two laws were passed in 2008 that created health insurance parity for mental health and substance use disorder services in Medicare and in private insurance. These parity laws meant that coverage for behavioral health services would eventually have the same level of benefit as is available for general medical and surgical services, including cost sharing arrangements, such as deductibles and co-payments, and limits on coverage, such as day limits in the hospital, visit limits, or annual and lifetime benefit limits. In this way, individuals with schizophrenia already enjoyed increased insurance protection as of 2008, if they participated in Medicare or in private plans that offered behavioral health coverage. Now with health insurance reform, all plans to be offered through a series of health insurance exchanges starting in 2014 will be required to offer behavioral health services, and those benefits will be offered with parity in coverage.

Health insurance reform means more than improved behavioral health benefits; it means improved health benefits more broadly. People with schizophrenia have significant general medical problems and increased morbidity and mortality from those conditions. Now instead of depending on the public mental health system and charity care for providing general medical care, individuals with schizophrenia will have health insurance coverage for their health care needs. They should also be able to benefit from expanded services in federally qualified health centers and from the long-term care benefits for supportive services from the CLASS Act, a component of the broader health care reform. And they can benefit from improved coverage of preventive services in expanded health insurance plans. This may be particularly important as clinical care moves to early detection and intervention, including secondary prevention of psychosis in at-risk individuals with attenuated psychotic symptoms.

There are several areas of policy where the implications of health insurance reform are less clear for individuals with schizophrenia and other severe and persistent mental disorders. Many of the evidence-based practices, such as assertive community treatment and supported employment, are not typically covered by health insurance. It is not clear how these services will be covered. One possibility is that the state mental health authorities that currently finance some of these services will expand their role. There are provisions in the reform for demonstration programs creating medical homes, centralized organizations to manage care for individuals with complex conditions. It is hoped that this demonstration will include opportunities for individuals with schizophrenia.

Many challenges remain for health care reform. The service delivery system needs continued improvements. We need more skilled professionals trained in evidence-based practice. We need improved integration of health and mental health services with continuity of care. And we need better treatments and service delivery models. There are new opportunities to explore the heterogeneity of schizophrenia and develop better-targeted treatments—to personalize services to promote recovery. Health insurance reform will mean improved coverage for some treatments and services. Hopefully, this coverage will include new innovative treatments with demonstrated effectiveness. In any case, such health insurance reform is an important first step on the path to needed broader health care reform.