

Benefits Insights

Brought to you by the insurance professionals at
O'Neill Insurance

Mental Health Benefits

More than 1 in 5 Americans have diagnosable mental disorders at some point in their lives, yet only about half of those individuals receive professional mental health treatment. One major determinant of an individual's access to mental health care is whether he or she has health insurance that includes mental health benefits.

Now, under the Affordable Care Act (ACA), non-grandfathered health plans in the individual and small group markets are required to cover mental and behavioral health treatments as one of the 10 essential health benefits. Therefore, most fully insured group health plans sponsored by small employers (typically, employers with up to 50 employees) include coverage for mental health benefits.

In addition, health plans must comply with the Mental Health Parity and Addiction Act (MHPAEA) of 2008, which prohibits group health plans and health insurance issuers that provide mental health and substance use disorder benefits from imposing less favorable benefit limitations on those benefits than what they impose on surgical and medical care. MHPAEA's provisions are included under the Employee Retirement Income Security Act (ERISA) of 1974; therefore, self-funded plans must also comply with federal mental health parity requirements. Employers that violate MHPAEA may be subject to an IRS excise tax of generally \$100 per individual per day (unless an exception applies).

Strategies for Controlling Health Care Costs

Even though depression and other mental health conditions are common and treatable, they remain a significant occupational health challenge for employers. Medical utilization costs for individuals with mental health conditions are significantly higher than for those without them, and they have been linked to a greater use of medical services rather than psychiatric services. Employers are still overwhelmingly underestimating the indirect costs of absenteeism, poor

productivity, faulty products and flawed decision-making that are associated with mental health disorders.

Some employers, however, are recognizing that productivity losses related to mental health conditions actually exceed the cost of effective treatment. This implication, along with the ever-present need to control overall health-related costs, is encouraging more and more employers to seek solutions for the loss of productivity due to depression and other mental health conditions.

HR professionals may find the following strategies to be beneficial:

- The utilization of employee assistance programs (EAPs) to remove the stigma of mental health treatment and to offset the cost differential, thereby encouraging employees to seek treatment
- Facilitation of mental health screenings for employees
- Employee education initiatives
- Enlisting the help of primary care physicians

For more information on mental health benefits, please refer to the following resources:

- U.S. Department of Labor at www.dol.gov.

O'NEILL
insurance



Benefits Insights

- U.S. Department of Health and Human Services – Center for Mental Health Services – Substance Abuse and Mental Health Services Administration at www.samhsa.gov.
- The National Institute of Mental Health at www.nimh.nih.gov.