

Managed  
Care

**and**

Mental  
Health

*Will your  
health plan  
meet your  
mental health  
needs?*

*Read on. .*

**Maryland  
Psychiatric  
Society**



# What Is Managed Care?

**M**anaged care is a form of health care delivery that currently covers about half of American workers, and is growing rapidly. It promises to reduce the cost of health-care coverage to employers by hiring managed care companies to review the treatment recommended by your physician and determine if it is medically necessary. In this way, managed care companies hope to eliminate “overtreatment” of patients.

While some unnecessary treatment may exist, under the competitive pressure to reduce costs, managed care companies have an economic incentive to reduce all treatment. This can be a serious problem in the area of mental health where managed care may define adequate treatment as barely enough to release a patient from the hospital, but not enough to return him or her to normal functioning.

Mental illness afflicts a large part of the population. In any year, about 13 million Americans will experience major depression. Another 5 million will experience schizophrenia or bipolar disorder, and many more people will suffer from short term mental distress which can be treated by appropriately trained clinicians. How your health plan deals with mental illness is at least as important to you and your family as how it deals with cancer or diabetes.

## Health Coverage Under Maryland Law

The Maryland Psychiatric Society believes that mental illness should receive the same consideration as any other illness. Along with other mental health providers and consumer groups, it urged state legislators to pass a mental health parity bill that requires insurance companies to provide mental health benefits equal to other medical benefits. This law became effective July 1994. It covers all insurance plans and HMOs except those for small businesses and self-insured companies, Medicare and Medicaid. It allows unlimited outpatient visits with an increasing copayment. It allows inpatient days equivalent to those allowed for other medical conditions. There is no separate limit on benefits for psychiatric care annually or over the lifetime.

## Will You Receive Sufficient Treatment?

Despite this law, managed care companies can limit the number of visits paid for by stating that treatment is no longer medically necessary even if your doctor recommends further treatment and you want to receive it. They can also recommend less intensive treatments such as every other week appointments or short term group therapies even when your physician disagrees. Sometimes, managed care companies prefer one type of therapy and may be reluctant to approve of other therapies, especially if they

are more expensive. In this way, managed care companies influence and potentially restrict the choices consumers can make in seeking mental health care.

## Appealing Managed Care Decisions

Managed care companies are required to have a clear appeals process so that a patient and/or the doctor can appeal a decision to decrease or stop treatment. Currently, most appeals are handled within the same managed care company. This raises concern as to how objective reviewers of an appeal can be. For this reason, Maryland physicians favor laws that would require managed care companies to handle appeals through an independent review panel.

## Will Your Privacy Be Protected?

In the past anything that your doctor learned about you during a patient visit was strictly confidential by law. Now, the managed care company insists on knowing detailed information in order to assess the plan of treatment for which they will pay. Patients must be aware that physicians may be required to disclose private data to the managed care company. Under many managed care plans, privacy may not be fully protected. For example, in the course of conducting quality assurance reviews, an HMO can require doctors to allow inspection of their patients' medical records by HMO representatives.

# Questions You Should Ask.

The questions outlined below are designed to help you understand managed care and how your health plan may deal with mental illness. If you have a choice of plans, these questions may aid you in deciding among them. Answers can be obtained by reading the plan or asking your Human Resources Department. If you are already in treatment you may want to discuss different health plans and their mental health coverage with your therapist.

- 1 Does the plan cover mental illness?
- 1 Do the deductibles or co-payments for mental illness differ from those for other illnesses?
- 1 Is there a time or cost limit on services for mental illness?
- 1 What are the qualifications of the people who review or deny psychiatric treatment?
- 1 Are there written criteria for approval of proposed treatment?
- 1 What is the appeal process for an adverse review?
- 1 Does the plan publish a list of its providers?  
Can you bring your current physician into the network?
- 1 Will the plan pay for a doctor outside the network of providers?
- 1 Is privacy for medical records assured?
- 1 Under what circumstances can your medical information be seen by someone other than your doctor, without your consent?

# What You Can Do.

If you have concerns about managed care and its impact upon your mental health treatment you can write to your State Senators and your State Delegate(s). If you do not know their names, contact the State Administrative Board of Election Laws at 1-800-222-VOTE for the number of your county board, or call the Maryland Psychiatric Society at (410) 625-0232. In addition you might wish to inquire and/or file written complaints with the following Maryland State agencies:

**Attorney General's Office  
Health Education Advocacy Unit  
Consumer Protection Division**

200 Saint Paul Place  
Baltimore, MD 21202  
(410) 528-1840

*Mediates complaints against health care providers and health plans.*

**Office of Licensing and Certification,  
Department of Health and Mental Hygiene**

4201 Patterson Avenue  
Baltimore, MD 21215  
(410) 764-4970

*Certifies private utilization review agents to operate in Maryland. Regulates quality aspects of health care delivered by HMOs.*

**Maryland Insurance Administration  
Life and Health Section  
Inquiries and Investigative Unit**

501 Saint Paul Place  
Baltimore, MD 21202  
(410) 333-2793

*Regulates insurance companies and financial aspects of*