

Out-of-Network, Out-of-Pocket, Out-of-Options

The Unfulfilled Promise of Parity





National Alliance on Mental Illness

Copyright November 2016, the National Alliance on Mental Illness (NAMI)

About NAMI

NAMI, the National Alliance on Mental Illness, is the nation's largest grassroots mental health organization dedicated to building better lives for the millions of Americans affected by mental illness.

Acknowledgements and Gratitude

This report was prepared by NAMI staff including Dania Douglas, Sita Diehl, Ron Honberg and Angela Kimball. For survey data analysis, NAMI expresses sincere gratitude to Deb Medoff, Ph.D., from the University of Maryland School of Medicine, Department of Psychiatry. We also thank policy interns Kayla Prince, Elena Schatell, Krystal Canare and Katharine Carter for assistance with the survey and data analysis. This report is made possible by the leadership of Mary Giliberti, Chief Executive Officer. We deeply appreciate the 3,081 individuals and family members affected by mental health or substance use conditions who responded to the survey, sharing their experience of health insurance coverage.

This report was made possible by support from Otsuka America Pharmaceutical and other generous donors.

www.nami.org

NAMI HELPLINE: 800-950-NAMI (6264)

TWITTER: @NAMICommunicate

FACEBOOK: facebook.com/NAMI

NAMI 3803 N. Fairfax Drive, Suite 100 Arlington, VA 22203



INTRODUCTION

“I don’t even try to use mental health benefits anymore provided by my insurance company. It requires pre-authorization by one of their providers. My psychiatrist isn’t in any network. I have been going to her for over 20 years. She is part of the reason I’m still on this earth. I spend roughly \$175/month to see her, and it’s worth it. I would spend less money on food, if I had to, rather than stop seeing her.”

For many Americans, finding quality, affordable mental health care is like navigating an obstacle course. High costs, difficulty finding providers and attempting to understand insurance documents can make accessing mental health care difficult for many, and impossible for some.

In 2014, NAMI issued a report, “A Long Road Ahead: Achieving True Parity in Mental Health and Substance Use Care,” which described the results of a survey on the experiences of people with mental health conditions and

their families with private health insurance. The survey revealed that, despite the requirements of federal parity legislation, people encountered significant barriers to receiving services.

NAMI updated the survey in 2015 and found that people were continuing to confront these obstacles to care. *Out-of-Network, Out-of-Pocket, Out-of-Options* highlights the findings of this survey, which echoes the same truth about the status of mental health parity: we’re not there yet.

SURVEY DESCRIPTION

NAMI conducted an online survey in winter 2015 to answer the question, “What do insurance beneficiaries experience when they seek mental health care?”

The survey drew responses from 3,081 individuals. To be eligible, a person had to have either private health insurance or public health coverage, such as Medicaid.

Respondents were asked a series

of questions elicit information about their experiences accessing care for mental health and substance use disorders relative to their experiences accessing care for primary and specialty medical care.

Survey respondents could answer for themselves or for another person for whom they could

provide reliable information. The majority of people responded for themselves (61.1%) or their child (30.9%). Of the respondents, 65% were female, 87% were Caucasian and 44.5% were ages 26–49.

Incomes were low: 65.8% earned less than \$25,000, and 40% were working full or part-time.

SURVEY FINDINGS

Consistent with nationally-reported trends, NAMI’s survey found that people with insurance had more difficulty locating in-network providers and facilities for mental health care compared to general or specialty medical care. This was true of both inpatient mental health care (hospitals and residential facilities) and outpatient mental health care (therapists and prescribers of mental health medications). Because out-of-network providers were often the only reasonable option, many respondents incurred greater costs for mental health compared to other types of specialty medical care.

Outpatient Mental Health Care

Survey results showed that people were far less likely to find or use an in-network mental health provider compared to other types of medical specialists. For the purposes of the study, outpatient mental health providers included mental health prescribers (psychiatrists and other practitioners who prescribe mental health medications) and mental health therapists (therapists and counselors). These results are consistent with other studies, which found that people have particular difficulty finding in-network psychiatrists.³ The results showed that the difficulty in finding in-network mental health providers also extended to other mental health professionals, such as psychologists and social workers.

In-Network Mental Health Therapists

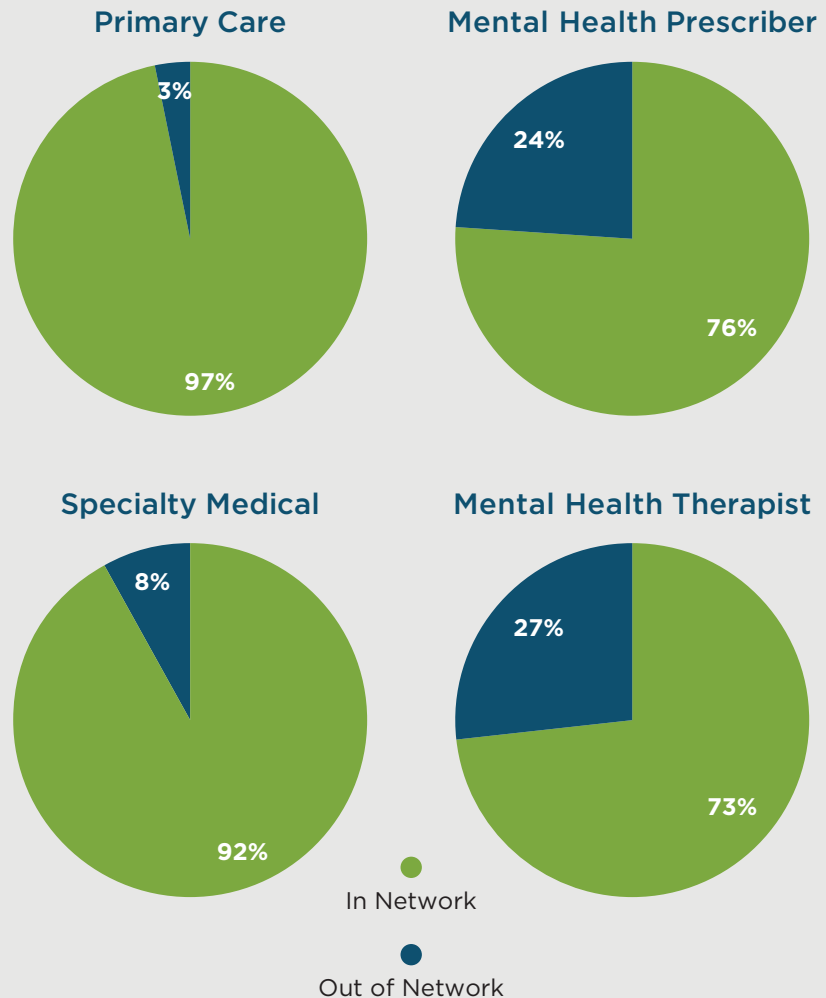
Three out of four (73%) respondents reported that they had an in-network mental health therapist, whereas nine out of 10 (91%) reported that they had an in-network medical specialist. This means that one in four respondents did not have a mental health therapist in their health plan's network, while only one in 10 did not have an in-network medical specialist. In addition, respondents were about 80% more likely to report having difficulty finding a therapist who would accept their insurance (32%) compared to other types of specialty medical care (18%).

In-Network Mental Health Prescribers

Results for finding in-network mental health prescribers were very similar to results for therapists. Among respondents, 76% had an in-network mental health prescriber compared to 91% having an in-network medical specialist. In other words, about one in four respondents did *not* have a mental health prescriber covered by their plan's network, while only one in 10 did not have an in-network medical specialist. Survey participants were about 70% more likely to report having difficulty finding a prescriber who would accept their insurance (30%) compared other types of specialty medical care (18%).

Outpatient Provider Networks

Percentage of respondents with in-network vs. out-of-network providers



“The majority of the mental health professionals in my area do not participate in any insurance plans. The in-network providers do not have the same level of quality. My insurance plan has an \$8,000 deductible for out-of-network benefits. The psychiatrist charges \$215 and the insurance reimburses \$60 because that is what they determine to be a Usual and Customary Reasonable (UCR) rate. We have depleted our savings and incurred much debt to get the quality mental health care we need.”



Inpatient Mental Health Care

Survey respondents were also more likely to go out-of-network and incur high expenses for psychiatric hospital care and psychiatric residential treatment than for hospital care to treat other medical conditions. Psychiatric hospitals include state-operated psychiatric hospitals, private free-standing psychiatric hospitals and psychiatric units within general hospitals.

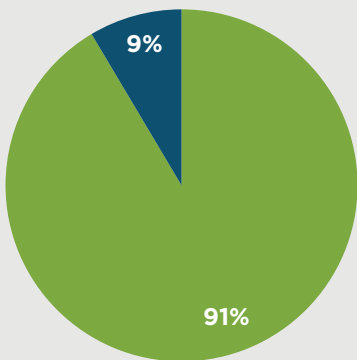
In-Network Inpatient Mental Health Care

The study showed that only 87% of people needing psychiatric hospitalization (inpatient care) received treatment in an in-network psychiatric hospital, while 92% of people needing hospitalization for other medical conditions were able to receive services in an in-network hospital. In addition, people were more than twice as likely to have trouble finding a psychiatric hospital that would accept their insurance (19%) compared to other types of hospital care (8%).

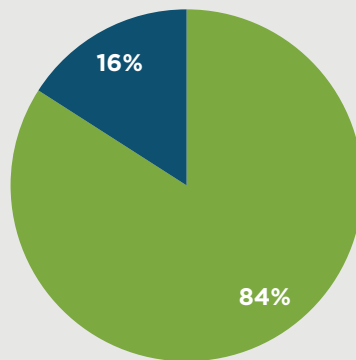
Inpatient Networks

Percentage of respondents who received care in in-network facilities vs. out-of-network facilities

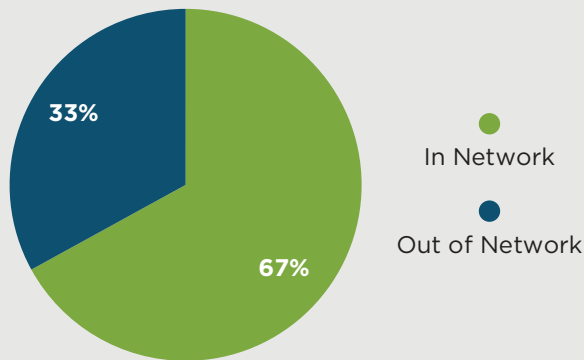
General Hospital



Psychiatric Hospital



Residential Mental Health Facility



● In Network
● Out of Network

In-Network Residential Mental Health Care

Residential mental health care involves treatment in a facility for people who need more intensive services, but who do not meet criteria for hospital care. Survey respondents had even more trouble finding in-network residential mental health treatment than psychiatric hospital care. They were far less likely to use in-network residential mental health facilities (67%) compared to other types of inpatient medical care (92%). This means that one in three respondents did not receive care in an in-network residential mental health facility, and one in four had difficulty finding one that would accept their insurance.

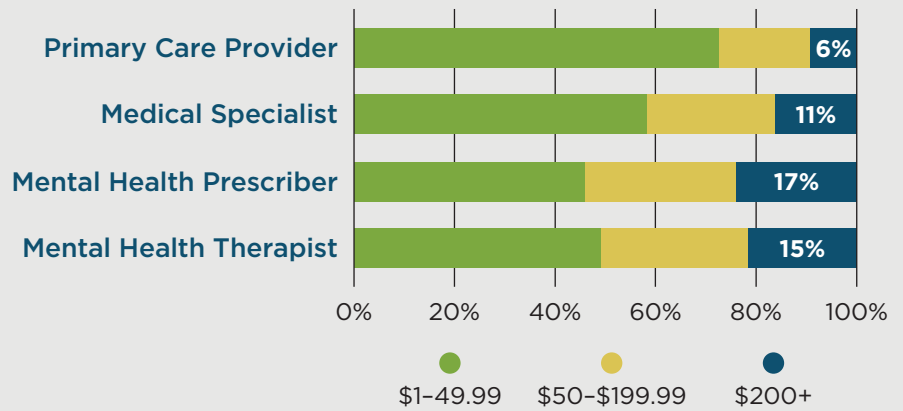


Out-of-Pocket Costs

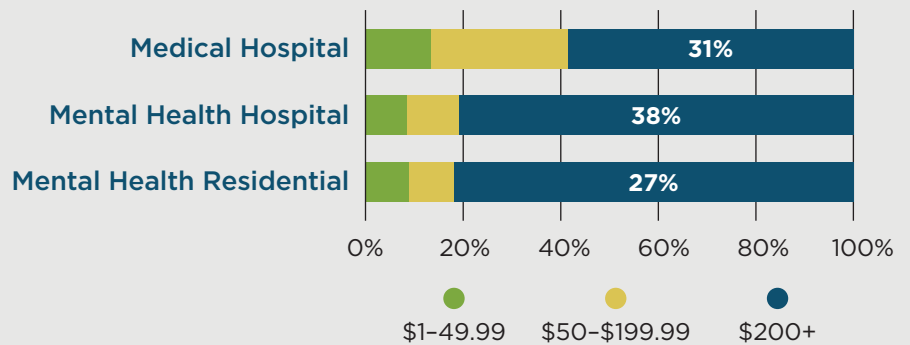
Survey respondents faced greater out-of-pocket costs (costs not covered by insurance) for outpatient and inpatient mental health care than for other types of specialty medical care. This result is not surprising given the difficulty respondents faced in finding in-network mental health care. However, it is particularly concerning that out-of-pocket costs were significantly higher for both mental health prescribers and therapists compared to medical specialty care. There were no significant differences in out-of-pocket costs between respondents with private insurance compared to respondents with Medicaid.

Out-of-pocket costs for psychiatric hospital stays and residential mental health care were much higher than out-of-pocket costs for hospital care for other types of medical conditions. Eight in 10 respondents had out-of-pocket costs of over \$200 for psychiatric hospital or residential mental health care compared to fewer than six in 10 for general hospital care. There were no significant differences in out-of-pocket costs between private insurance and Medicaid.

Outpatient Out-of-Pocket Costs



Inpatient Out-of-Pocket Costs



Medicaid

Medicaid recipients were more likely to have an in-network mental health prescriber or therapist than those with private insurance. Medicaid recipients were also more likely to use an in-network psychiatric hospital

or residential treatment versus out-of-network facilities. These results run counter to the common perception that private insurance provides more readily-available in-network care than state Medicaid programs.⁴

Provider or Service	Medicaid In-Network Rate	Private Insurance In-Network Rate
Mental health prescriber	86%	70%
Mental health therapist	82%	68%
Psychiatric hospital	88%	80%
Residential mental health	80%	57%

DISCUSSION

With passage of the Affordable Care Act and the decision by 32 states (including the District of Columbia) to expand Medicaid, millions of Americans who previously had no health insurance now have access to health coverage. Combined with the federal parity law requirements, Americans should have better access to mental health care than at any time in history. Yet, studies have consistently shown that, despite improvements, people with mental health conditions who have health insurance still struggle to find mental health providers and services in their health plan networks.

One reason for the difficulty finding in-network mental health care is the critical nationwide shortage of mental health professionals, including psychiatrists and licensed therapists.⁵ In 2012, there were 3,669 Mental Health Professional Shortage Areas (HPSAs) containing almost 91 million people. At least 1,846 psychiatrists and 5,931 other practitioners would be needed to fill the gap.⁶ Shortages are most severe for specialties such as children's mental health, in rural areas and underserved communities.⁷

Adding to the problem, many mental health providers—particularly psychiatrists—do not accept health insurance. A recent study published in the *Journal of the American Medical Association* found that only 55% of the nation's psychiatrists accepted insurance compared with 88% of physicians in other medical specialties.⁸

Mental health providers often cite low reimbursement rates and heavy administrative burden as the main reasons they have chosen not to participate in health plans.⁹ Mental health providers spend more time with a patient than a typical primary care practitioner (PCP) or other medical specialist. In addition, mental health providers often operate small or solo practices, which leaves many without the infrastructure to complete paperwork and negotiate treatment authorization with insurance personnel.¹⁰

Another significant contributing factor is that insured individuals appear to be having difficulty finding accurate information about participating providers in their health insurance plans.

“[My relative] has had terrible trouble finding a psychiatrist in our community. He has been traveling 50 miles each way to see a psychiatrist. The wait lists for all psychiatrists locally are between six months and two years.”

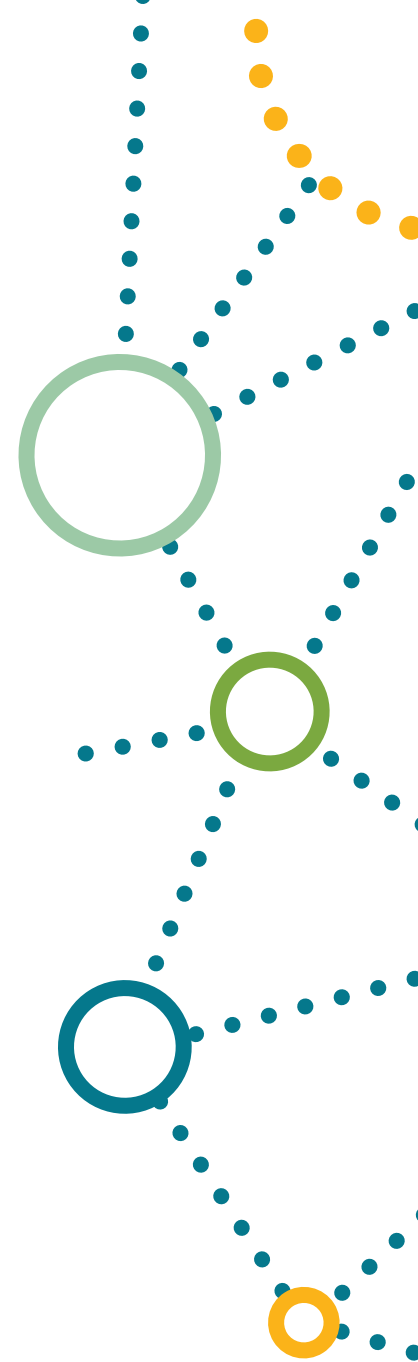
“I have a psychiatrist who also handles my psychotherapy. Insurance will only reimburse him \$75 for an hour of services. He is out-of-network—he has to be—at \$225 an hour. My current insurance has no deductible limit on out-of-network services. I have to pay 100% and have had to cut back on psychiatry visits. This has caused a lot of problems and threatens my ability to maintain my job.”

Survey respondents complained about making multiple calls only to discover that the health plan directory listed providers who were no longer practicing, were deceased or did not accept their health plan. In addition, callers often found that practitioners were not accepting new patients, or the first available appointment was weeks or even months out.

Secret shopper surveys and reports show that insurance networks are failing to keep up-to-date, comprehensive provider directories.¹¹ Finding mental health care while experiencing symptoms is difficult enough. Making phone calls to non-working numbers or providers who are no longer practicing further delays care. In addition, frequent changes in

provider networks can lead to disruptions in care, confusion and unexpected medical bills.

Some positive efforts are underway to require health plans to maintain accurate provider directories. For example, the California Insurance Commissioner issued regulations¹² to strengthen mental health provider network requirements, appointment wait time criteria and provider directory standards. A provision in these regulations requires health plans to apply in-network costs to consumers for out-of-network care when in-network providers are not available. Maryland has also recently enacted legislation to strengthen network adequacy and provider directory standards.¹³



RECOMMENDATIONS

Health plans are responsible to maintain provider networks sufficient to deliver care for plan enrollees, yet survey respondents had greater difficulty finding an in-network mental health provider in their community than for other medical care. Many were forced to pay higher out-of-pocket costs or to travel long distances for care. To address disparities in accessing mental health care, NAMI recommends the following:

1. Maintain accurate, up-to-date directories. America's Health Insurance Plans is testing a "one-stop" method to update provider directories on behalf of all health plans in a given state. Providers are contacted quarterly to verify their directory listing. If there are any changes, providers can update their information for all insurers through a single portal rather than having to report to each plan separately.¹⁴ Health plans should adopt this method or other measures to ensure they maintain up-to-date directories.

Recent regulations allow the Centers for Medicare and Medicaid Services to fine some types of health plans¹⁵ for provider directory errors.

An increasing number of states—including California, Maryland, Illinois and New York—require insurers to update provider directories at frequent intervals. States should adopt these accountability measures throughout the country.

2. Provide easy-to-understand information about mental health benefits. Health plans should provide detailed and user-friendly information about covered mental health and substance use services, prescription drug coverage, treatment limitations and exclusions and out-of-pocket costs. Information should be available to consumers prior to purchasing or enrolling in a health plan, when re-enrolling and upon demand.

3. Promote integration of care. Health plans should promote integration of mental health and primary care to expand availability of mental health care, including covering psychiatric consultation to primary care providers, peer professional training and telehealth technology to deliver mental health care.

4. Expand provider mental health networks. Health plans should set provider reimbursement rates for mental health and substance use care that cover the cost of doing business and are sufficient to attract qualified professionals to provider panels. Additionally, administrative requirements should be streamlined and simplified and loan forgiveness programs and other incentives adopted to motivate practitioners to enter mental health fields and practice in underserved areas.

5. Cover out-of-network care to fill provider gaps. Health plans should be required to cover the full cost for medically necessary mental health care provided by an out-of-network provider when no appropriate in-network provider is available or accessible.

CONCLUSION

Despite the federal parity law, the promise of parity remains elusive. Consumers continue to face significant challenges finding a provider, getting an appointment and paying the bill for mental health care compared to other types of specialty medical

care. For the sake of millions of children and adults affected by mental health conditions, NAMI calls on health plans—and state and federal lawmakers—to address these disparities and improve access to quality, affordable mental health care.

REFERENCES

¹ National Alliance on Mental Illness, “A Long Road Ahead: Achieving True Parity in Mental Health and Substance Use Care,” April 2015, <http://www.nami.org/About-NAMI/Publications-Reports/Public-Policy-Reports/A-Long-Road-Ahead/2015-ALongRoadAhead.pdf>

² Mental Health Association of Maryland, “Access to Psychiatrists in 2014 Qualified Health Plans,” (January 26, 2015), <http://mhamd.org/wp-content/uploads/2014/01/2014-QHP-Psychiatric-NetworkAdequacy-Report.pdf>, Accessed September 5, 2016; Mental Health Association of New Jersey, “Managed Care Adequacy Report,” (June 2013), <http://www.mhanj.org/wp-content/uploads/2014/09/Network-Adequacy-Report-Final.pdf>, Accessed September 5, 2016; American Psychiatric Association, “APA Poll Finds Care Stymied by Phantom Networks in DC”, *Psychiatric News* (May 17, 2016), http://www.psychnews.org/update/2016_apa_daily_4d.html. Accessed September 5, 2015.

³ Bishop, T. F., Press, M. J., Keyhani, S. & Pincus, H. A. (2014). Acceptance of insurance by psychiatrists and the implications for mental health care, *Journal of the American Medical Association*, 17. 176-180. Retrieved September 5, 2016: <http://archpsyc.jamanetwork.com/article.aspx?articleid=1785174>; ; American Psychiatric Association, “APA Poll Finds Access to Care Stymied by Phantom Networks in DC,” *Psych News Daily Mail*, 5/17/2015, http://www.psychnews.org/update/2016_apa_daily_4d.html, accessed 9/27, 2015; Mental Health Association of Maryland, “Access to Psychiatrists in 2014 Qualified Health Plans,” 1/26/2015, <http://mhamd.org/wp-content/uploads/2014/01/2014-QHP-Psychiatric-NetworkAdequacy-Report.pdf>, accessed 3/21/2015; Mental Health Association of Maryland, “Access to Psychiatrists in 2014 Qualified Health Plans,” 1/26/2015, <http://mhamd.org/wp-content/uploads/2014/01/2014-QHP-Psychiatric-NetworkAdequacy-Report.pdf>, accessed 3/21/2015; Mental Health Association of Michigan, “A 2014 Analysis of 88 Michigan Individual Health Insurance Policies for Compliance with Mental Health Parity,” 1/2015, http://www.mha-mi.com/wp-content/uploads/2015/02/PARITY_REPORT_2014_SPEC_PROJ_FINAL.pdf, accessed 9/27/2015; Mental Health Association of New Jersey, “Managed Care Adequacy Network Report,” 9/15/2014, <http://www.mhanj.org/wp-content/uploads/2014/09/Network-Adequacy-Report-Final.pdf>, accessed 9/27/2014.

⁴ Dickson, V. “Medicaid Plans Struggle to Provide Mental Health Services,” *Modern Healthcare*, July 4, 2015, <http://www.modernhealthcare.com/article/20150704/MAGAZINE/307049979>.

⁵ Substance Abuse and Mental Health Services Administration, *Workforce*. Retrieved September 5, 2016: <http://www.samhsa.gov/workforce>.

⁶ Hyde, P. (Jan., 2013) Report to Congress on the Nation's Substance Abuse and Mental Health Workforce Issues. SAMHSA, Rockville, MD, p.8. accessed September 5, 2016: <https://store.samhsa.gov/shin/content/PEP13-RTC-BHWORK/PEP13-RTC-BHWORK.pdf>

⁷ Kaiser Family Foundation, *Mental Health Care Professional Shortage Areas*. accessed September 5, 2016: <http://kff.org/other/state-indicator/mental-health-care-health-professional-shortage-areas-hpsas/>.

⁸ Bishop, T. F., Press, M. J., Keyhani, S. & Pincus, H. A. (2014). Acceptance of insurance by psychiatrists and the implications for mental health care, *Journal of the American Medical Association*, 17. 176-180. accessed September 5, 2016: <http://archpsyc.jamanetwork.com/article.aspx?articleid=1785174>

⁹ Cunningham, P. (March 4, 2013) *Loophole for Mental Health Care*. Politico. Accessed September 5, 2016: <http://www.politico.com/story/2013/03/reform-law-expands-access-to-mental-health-care-088347>.

¹⁰ Varvey, S. (October 24, 2013) Therapists Explore Dropping Solo Practices To Join Groups. accessed September 5, 2016: <http://www.npr.org/sections/health-shots/2013/10/24/234737302/therapists-explore-dropping-solo-practices-to-join-groups>;

¹¹ American Psychiatric Association, "APA Poll Finds Access to Care Stymied by Phantom Networks in DC," *Psych News Daily Mail*, 5/17/2015, http://www.psychnews.org/update/2016_apa_daily_4d.html, accessed 9/27, 2015; Mental Health Association of Maryland, "Access to Psychiatrists in 2014 Qualified Health Plans," 1/26/2015, <http://mhamd.org/wp-content/uploads/2014/01/2014-QHP-Psychiatric-NetworkAdequacy-Report.pdf>, accessed 3/21/2015; Mental Health Association of Maryland, "Access to Psychiatrists in 2014 Qualified Health Plans," 1/26/2015, <http://mhamd.org/wp-content/uploads/2014/01/2014-QHP-Psychiatric-NetworkAdequacy-Report.pdf>, accessed 3/21/2015; Mental Health Association of Michigan, "A 2014 Analysis of 88 Michigan Individual Health Insurance Policies for Compliance with Mental Health Parity," 1/2015, http://www.mha-mi.com/wp-content/uploads/2015/02/PARITY_REPORT_2014_SPEC_PROJ_FINAL.pdf, accessed 9/27/2015; Mental Health Association of New Jersey, "Managed Care Adequacy Network Report," 9/15/2014, <http://www.mhanj.org/wp-content/uploads/2014/09/Network-Adequacy-Report-Final.pdf>, accessed 9/27/2014.

¹² Jones, D. (March 9, 2016) *Medical Provider Network Adequacy Regulations strengthen consumers' access to timely health care*. California Department of Insurance. accessed September 5, 2016: <http://www.insurance.ca.gov/0400-news/0100-press-releases/2016/nr-024-16.cfm>

¹³ Hogan, L. (April 26, 2016) Chapter 309. An Act concerning Health Benefit Plans – Network Access Standards and Provider Network Directories. Accessed September 5, 2016: http://mgaleg.maryland.gov/2016RS/Chapters_noln/CH_309_hb1318e.pdf

¹⁴ Morse, S. (March 23, 2016) AHIP announces first-of-its-kind provider directory pilot. *HealthCare Finance*. Accessed September 6, 2016, <http://www.healthcarefinancenews.com/news/ahip-announces-first-its-kind-provider-directory-pilot>

¹⁵ As of January, 2016, Medicare Advantage Plans and Qualified Health Plans in the federally operated health insurance exchanges can be fined for provider directory errors.

¹⁶ Uberoi, N.; Finegold, K.; Gee, E. (2016) *Health Insurance Coverage and the Affordable Care Act 2010–2016*. HHS, Office of the Assistant Secretary for Planning and Evaluation (ASPE). Accessed September 26, 2016: <https://aspe.hhs.gov/pdf-report/health-insurance-coverage-and-affordable-care-act-2010-2016>

¹⁷ Beronio, K.; Po, R.; Skopec, L.; Glied, S. (2013) *Affordable Care Act Expands Mental Health and Substance Use Disorder Benefits and Federal Parity Protections for 62 Million Americans*. ASPE <https://aspe.hhs.gov/report/affordable-care-act-expands-mental-health-and-substance-use-disorder-benefits-and-federal-parity-protections-62-million-americans>





www.nami.org

3803 N. Fairfax Drive, Suite 100
Arlington, VA 22203

MAIN PHONE: 703-524-7600
NAMI HELPLINE: 800-950-6264

TWITTER: @NAMICommunicate
FACEBOOK: facebook.com/NAMI