



# MENTAL HEALTH ASSOCIATION OF COLORADO

## SENATE BILL 36 INSURANCE COVERAGE FOR MENTAL DISORDERS ICD-9

**SPONSORS – Senator Keller, Representative Stafford**

### THE PROBLEM

- Mental illness is the leading cause of disability in the United States, resulting in 217 million days of work lost annually due to productivity decline, more than many other chronic conditions such as diabetes, asthma and arthritis. *(National Business Group on Health)*
- Each year in this country, businesses accrue: \$116.6 billion in substance abuse costs, \$205 billion untreated mental health costs, \$43.7 billion for depression. *(Mental Health America, formerly National Mental Health Association)*
- 65% of all job terminations are related to a mental health issue. *(Mines & Associates, Employee Assistance Program)*
- A 2005 Colorado Health Institute survey of 640 community leaders in 23 communities around the state revealed that the top five health threats in communities are all directly or indirectly related to mental health. The top five health threats are: lack of access to mental health services, lack of affordable health insurance, low-paying jobs with no benefits, illicit drug use, and alcohol abuse. *(Colorado Health Foundation/ Colorado Health Institute)*
- The total estimated loss to Colorado industry due to absenteeism because of untreated depression alone is calculated to be \$886 million a year and an estimated \$170 million in medical costs. *(Based on 2004/2005 Colorado Department of Labor and Employment statistics run through a depression calculator)*
- Mental health conditions not covered by insurance become uncompensated care. The cost of uncompensated care is \$714 million annually, of which government pays one-third of the unpaid bill. Two-thirds of the bill remains unpaid and is cost shifted to the private sector. As a result, private health insurance goes up in Colorado by 8.2%. *(Families USA, June 2005)*

### THE SOLUTION

***The solution is simple and affordable. Change the current insurance requirements to expand appropriate insurance coverage for mental health services.***

Chronic depression, anxiety, phobias, post-traumatic stress disorder, alcohol and drug addiction are **treatable conditions**.

**The treatment success rates for mental conditions are nearly twice as high as treatment for other medical conditions:** depression are 80%, panic disorder are 70-90%, and schizophrenia are 60%, compared to other medical conditions such as heart disease with a success rate of only 45-50%. *(National Institutes of Mental Health)*

**Mental health treatment is a worthwhile investment.** A four-year study of program effectiveness at McDonnell Douglas yields a 4 to 1 return on investment after considering medical claims, absenteeism and turnover. *(Wall Street Journal)* In a similar study, Kennecott Copper Corporation saved \$5.78 for every dollar spent on mental health care. *(GWCMPHC, Inc., 2000)*

When employees receive timely and appropriate mental health treatment, **they achieve greater work productivity and improved quality of life.** *(Mental HealthWorks, Fourth Quarter (2005): 8-9.)*

Cost to cover an employee for appropriate mental health coverage - \$6.00 a year. *(Based on data from American Managed Behavioral Healthcare Association and Congressional Budget Office estimated 0.9% full parity cost)*