

Timothy's Law: Talking Points



Timothy's Law 2006

What is Timothy's Law?

- ❖ Timothy's Law is a bill in New York State (A.2912-A / S.6735-A), named in memory of Timothy O'Clair, a 12 year old boy who completed suicide in March 2001 following a 5 year struggle with mental illness. If enacted, this legislation would amend the Insurance Law to require health insurers and health maintenance organizations (HMO's) in New York State to provide coverage for mental illness and chemical dependency equal to that which is provided for other medical conditions by such insurers and HMO's.

Why is Such a Bill Necessary?

- ❖ Currently in New York State, most health benefit plans do not cover the treatment of mental illness and chemical dependency in a manner that is equal to that of coverage for "physical" health ailments.
- ❖ Most benefit plans impose severe limits on the treatment for mental illness and chemical dependency and charge higher deductibles and co-payments for such treatment.

Who is Affected by Mental Illness?

- ❖ According to the National Institute of Mental Health, in any given year over 50 million American adults (20% of the population) suffer from a mental disorder.
- ❖ One in five children is afflicted with a behavioral, emotional, or mental health disorder.

What are the Consequences of Untreated Mental Illness or Chemical Dependency?

- ❖ Untreated mental illness in children results in needless suffering which may lead to school failure, chemical dependency, family disruption, violence, or suicide.
- ❖ Many families who have exhausted their benefits are forced to relinquish custody of their child to the state in order to access publicly funded services.
- ❖ In 1999, the Surgeon General reported "that the direct business costs of lack of parity coverage of mental illness treatment was at least \$70 billion per year, mostly in the form of lost productivity absenteeism and increased use of sick leave."
- ❖ Reports show that employees with insufficient mental health benefits over-utilize their general health care services.

Does Treatment Work?

- ❖ Presently, treatment for schizophrenia is showing a 60% success rate, bi-polar disorder, an 80% success rate, major depression-80%, panic disorder-80%, and obsessive compulsive disorder-60%. These rates are as good, if not better than the success rates of treating heart disease, asthma, and diabetes, just to name a few.

Is Treatment Cost Effective?

- ❖ A recent actuarial study conducted by PricewaterhouseCoopers estimates that the passage of Timothy's Law would only increase premiums by \$1.26 per employee per month.
- ❖ There is evidence that parity coverage for mental disorders saves the economy - government and businesses alike - billions of dollars through increased productivity, decreased absenteeism and reduced public sector expenditures such as the state mental health systems and juvenile justice systems.
- ❖ A recent article published in the New York Times reported that "the Chevron Corporation found that it saved \$7 for every dollar it spent on an employee assistance program offering mental health resources."
- ❖ A 1995 report published in *Risk Contracts In Managed Mental Health Care* stated that DuPont, Dow, Federal Express, Xerox, and other major corporations reported "reduced costs of 30 to 50% over one or two years after eliminating restrictive mental coverage limits"

Do other States have Mental Health Parity Laws?

- ❖ 35 other states in the union have some form of parity. Vermont and Connecticut possess the most comprehensive laws but Alabama, Arizona, Arkansas, California, Colorado, Delaware, Georgia, Hawaii, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, Nevada, North Carolina, Oklahoma, Oregon (2007 effective date), Rhode Island, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, and West Virginia have all passed varying forms of parity legislation.

Is there Support for Timothy's Law?

- ❖ Yes, throughout the last several legislative sessions, some form of Timothy's Law has been supported to varying degrees in each of the legislative houses.
- ❖ During the 2004 legislative session, for the first time in New York's history, "Same as" bills were introduced by both the Senate and the Assembly. The Senate bill had 34 majority member co-sponsors, and the Assembly bill had 51 majority co-sponsors.
- ❖ The Assembly version overwhelmingly passed.
- ❖ The Senate proposed a pared down version of the bill...it too passed (without TLC support).
- ❖ The Assembly version passed again in 2005, while the Senate worked on a compromise version.
- ❖ Both the NY State Senate and Assembly leadership have gone on record as saying "Timothy's law is a priority."