Mental Health Care and the New York Health Act

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NY Metro Chapter - PNHP
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THE EVOLUTION OF HEALTH INSURANCE IN THE U.S.

• Phase 1 (1936-1965): Employment-based health insurance
  • WWII “perk” offered by employers and ruled tax deductible

• Phase 2 (1966-1990): Limited Government health insurance
  • Medicare and Medicaid

• Phase 3 (1990-2009): Dominance of For-Profit health insurance
  • Non-profit Blue Cross plans convert to for-profit companies
  • Expansion of for-profit managed care companies designed to control costs by restricting access. But costs keep rising much faster than the general cost of living

• Phase 4 (2010-present): The Affordable Care Act (ACA)
Mental Health Parity Act I (1996)

- Annual or lifetime limits on MH benefits NO LOWER than for medical and surgical benefits.

- Previously no requirement that insurers had to cover MH services AT ALL.

- Originally covered all MH services rendered after Jan 1, 1998 but before Sept 30, 2001 (sunset provision).

- Subsequently extended 6 times up to Dec 31, 2007.
Mental Health Parity and Addiction Equity Act (2008)

• Often referred to as Wellstone-Domenici Act. Took effect on Jan 1, 2010

• Health insurers and group health plans must guarantee that limitations in plans not exceed those in place for treatment of medical and surgical conditions.

• Primary insurers responsible for similar provisions provided by MH carve-out plans.
Mental Health Managed Care Carve-Outs

• MH services managed by separate entity from medical/surgical services.

• Most frequent arrangement is Managed Behavioral Health Organization (MBHO).

• Primary purpose is control of costs, not improved quality of services.

• Gate-keepers, pre-authorization, etc. become routine.

• Undermines tradition of confidentiality of patient-therapist relationship.

• 180 million individuals covered by such plans in 2002.

• Many MH practitioners refusing to participate in such plans creating serious personnel shortages.
ACAs MAIN PROVISIONS

• Increased eligibility for subsidized insurance premiums
• Expanded Federal subsidization of Medicaid
• No pre-existing conditions exclusion
• Children covered on parents’ policies until age 26
• Insurance policy exchanges
• Mandated list of minimum covered services
• Penalty if choose to go uninsured
PROMISES MADE BY THE ACA’S SPONSORS

I. Coverage expansion and insurance reforms

II. Cost containment and premium affordability

III. Delivery system reforms
Millions are Now Covered, Millions More Remain Uninsured

Note: The uninsured include about 5 million undocumented immigrants.
Source: Congressional Budget Office
Canada Introduced Single Payer. We did not. ➔ A Fork in the Road
PRIVATE INSURERS’ HIGH OVERHEAD RAISES COSTS, WASTES MONEY

Source: Schramm, Blue Cross Conversion, Abell Foundation, and CMS
# HMO CEOs' Pay, 2015

<table>
<thead>
<tr>
<th>Executive</th>
<th>Firm</th>
<th>Annual Compensation</th>
<th>Pay/Weekday</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michael Neidorff</td>
<td>Centene</td>
<td>$20.8 mil</td>
<td>$80,000</td>
</tr>
<tr>
<td>David Cordani</td>
<td>Cigna</td>
<td>$17.3 mil</td>
<td>$66,538</td>
</tr>
<tr>
<td>Mark Bertolini</td>
<td>Aetna</td>
<td>$17.3 mil</td>
<td>$66,538</td>
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<tr>
<td>Steve Hemsley</td>
<td>United</td>
<td>$14.5 mil</td>
<td>$55,769</td>
</tr>
<tr>
<td>Joseph Swedish</td>
<td>Wellpoint</td>
<td>$13.6 mil</td>
<td>$52,308</td>
</tr>
<tr>
<td>Bruce Broussard</td>
<td>Humana</td>
<td>$10.3 mil</td>
<td>$39,615</td>
</tr>
</tbody>
</table>

Source: SEC Filings
CONCLUSIONS

• The Affordable Care Act is fundamentally flawed because of its continued reliance on the private insurance industry.

• We can do better, by giving government a central role in financing health care, that is, a Single-Payer Health Care System.
WHAT IS A SINGLE-PAYER HEALTH CARE (INSURANCE) SYSTEM
Our Current Healthcare “System”

- Businesses
- People
- Government

Funding:
- Tax breaks
- Taxes
- Subsidies
- Funding for uncompensated care

Acme Health
Insurance card
GRP # 010913042294

Many private insurance co’s

- Premiums
- Deductibles
- Copayments
- Direct payments

Medicaid
Medicare

Doctors’ offices and hospitals

Profits

Reimbursements

Administrative waste

Credit: Daniel Neghassi, MD. dneghassi.com
Single Payer Universal Healthcare

it's just better!

Businesses → income-based premium → Government → funding → Public Health Insurance Plan

People → Government → funding

Public Health Insurance Plan
Insurance card # 0905192303072016

reimbursements → Doctors’ offices and hospitals

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People

Businesses

income-based premium

Government

funding

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reimbursements

Doctors' offices and hospitals

How does single payer healthcare work?

Credit: Daniel Neghassi, MD. dneghassi.com
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How does single payer healthcare work?

1. Businesses and residents pay affordable premiums to the government.
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How does single payer healthcare work?

1. Businesses and residents pay affordable premiums to the government.

2. The government funds a public health insurance plan which reimburses doctors & hospitals for care provided.

Credit: Daniel Neghassi, MD. dneghassi.com
Single Payer Universal Healthcare
it's just better!

Businesses

People

income-based premium

Government

funding

Public Health Insurance Plan
Insurance card # 0905192303072016

reimbursements

Doctors’ offices and hospitals

How does single payer healthcare work?

1. Businesses and residents pay affordable premiums to the government.
2. The government funds a public health insurance plan which reimburses doctors & hospitals for care provided.
3. Everyone is covered. Period.
   It's that simple.

Credit: Daniel Neghassi, MD. dneghassi.com
# S.1129 – Medicare for All Act of 2019

## Overall Design
- Inpt, outpt, ER, Rx, etc
- Full reproductive care
- Drug price negotiations
- No copays or deductibles (except Rx)
- Prohibits sale of duplicative insurance

## Immediate Improvements
- Add dental, vision, and hearing
- Limit on out-of-pocket for A and B; no deductibles
- Eliminate 2-year wait for disability
- “Medicare Transition Plan” on exchanges (90% value)

## Four-year Implementation
- Medicare buy-in available at gradually reducing ages (55, 45, 35, all)
- Parts C and D options remain until full implementation
New York Health Act

**Eligibility**

- *Every* resident of NYS covered
- *No* barriers due to age, sex, income, wealth, employment, immigration or health status
- *No* regressive insurance premiums
- *No* payments at time of service
- *No* deductibles, *no* co-pays
New York Health Act

**Comprehensive Benefits**

- Primary & Preventive Care
- Mental Health (Psychiatric treatment, Substance Use, counseling)
- Inpatient and Outpatient Hospital Care
- Prescription Drugs
- Dental, Vision, & Hearing Care
- Long-term care*
- Free choice of provider

* Currently being added to NY Health; adds just 5% to cost
New York Health Act

Provider Reimbursement

- Providers paid *in full* by New York Health, with no charges to patients
- New reimbursement methods will be developed to replace fee-for-service payments
- Rates negotiated with provider organizations
New York Health Act

**Financing**

- Progressive graduated payroll tax, 80% employer (min), 20% employee (max)
- Graduated tax on non-wage income for high-income earners
- Federal Medicare and Medicaid funds
- NY Health pays Medicare Part B premiums & local share of Medicaid

90% of New Yorkers pay less than status quo.
It’s Better than Medicare!

• No deductibles, no copays, no coinsurance

• No Part B (outpatient) or Part D (drug) premiums

• Dental, hearing, vision, and long-term care covered

• Medicare coverage + NYHealth wraparound when traveling out-of-state
## 25 Years of Studies: We Can Afford It!

<table>
<thead>
<tr>
<th>Year</th>
<th>Area Covered</th>
<th>Analyst</th>
<th>Net Cost/Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>US</td>
<td>GAO</td>
<td>−9.6 - +1.2%</td>
</tr>
<tr>
<td>1993</td>
<td>US</td>
<td>CBO</td>
<td>−1.9 - +5.0%</td>
</tr>
<tr>
<td>2002</td>
<td>Maine</td>
<td>Mathematica</td>
<td>−10.0%</td>
</tr>
<tr>
<td>2002</td>
<td>Rhode Island</td>
<td>Health Reform Program, BU</td>
<td>−8.1%</td>
</tr>
<tr>
<td>2003</td>
<td>Georgia</td>
<td>Lewin Group</td>
<td>−1.9%</td>
</tr>
<tr>
<td>2003</td>
<td>Missouri</td>
<td>Kenneth Thorpe</td>
<td>−5.8%</td>
</tr>
<tr>
<td>2005</td>
<td>California</td>
<td>Lewin Group</td>
<td>−4.3%</td>
</tr>
<tr>
<td>2007</td>
<td>Colorado</td>
<td>Lewin Group</td>
<td>−4.6%</td>
</tr>
<tr>
<td>2010</td>
<td>Massachusetts</td>
<td>Gerald Friedman</td>
<td>−15.8%</td>
</tr>
<tr>
<td>2011</td>
<td>Vermont</td>
<td>Kenneth Thorpe</td>
<td>−1.1%</td>
</tr>
<tr>
<td>2013</td>
<td>US/Conyers</td>
<td>Gerald Friedman</td>
<td>−7.6%</td>
</tr>
<tr>
<td>2015</td>
<td>New York</td>
<td>Gerald Friedman</td>
<td>−15.7%</td>
</tr>
<tr>
<td>2016</td>
<td>US/Sanders</td>
<td>Gerald Friedman</td>
<td>−8.0%</td>
</tr>
</tbody>
</table>
The Public Supports Single Payer Health Care

“Do you support creating a federally funded health insurance system that covered every American?”

Economist/YouGov Poll  April 2017
Most Physicians Support a National Health Program.

2007 detail of surveys of random samples of US physicians.


Psychiatry
Peds Specialties
Emergency Med
General Peds
General Int. Med
Med Specialties
Family Med
OB-Gyn
General Surgery
Surg Specialties
Radiology

59% of physicians support single payer

Percent supporting National Health Insurance
CORE VALUES:

- Covers everybody: employed & unemployed; rich & poor; citizen & non-citizen

- For all medically necessary health services

- With free choice of doctor, dentist, NP, hospital

- With no financial barriers to care: no co-payments deductibles

- Fair progressive public financing

- Equitable, quality health care delivery systems
NAME: ______________________

NETWORK:
Your choice of doctors, hospitals and other providers

ELIGIBILITY:
Lifetime coverage for ALL residents of New York State

COVERS:
ALL medically necessary care, including comprehensive outpatient and inpatient, primary and preventive care, prescription drugs, laboratory tests, mental health and substance use treatment, reproductive health, rehabilitation, dental, vision, hearing, and medical supply costs.

COPAY: $0

DEDUCTIBLE: $0

COINSURANCE: Not needed!

WANT THIS TO BE YOUR INSURANCE CARD? HELP MAKE THE NEW YORK HEALTH ACT THE LAW IN NEW YORK STATE!
SIGN UP AT WWW.NYHCAMPAIGN.ORG
Stay in touch!

Campaign for New York Health
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@nyhcampaign

Physicians for a National Health Program
www.pnhp.org
@pnhp

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