

Timothy's Law Made Permanent

By Shelly Nortz

Timothy's Law, New York State's requirement that health plans cover treatment for mental health, and do so on par with coverage for other illnesses, was our top legislative priority in 2006. It took effect in 2007, and on July 11, 2009, Gov. David A. Paterson signed legislation making the law permanent.

Over five million New Yorkers benefit from Timothy's Law; it has expanded coverage for mental health needs for everyone with private state-regulated group health plans. A May 2009 Insurance Department report showed the proportion of insured New Yorkers with coverage for at least 30 inpatient days and 20 outpatient visits per year for mental health care doubled to 100 percent as a result of the law. This improved basic mental health coverage for over 2.5 million New Yorkers with no mental health coverage or coverage of fewer than the new minimum day and visit requirements. Timothy's Law increased mental health coverage for 77 percent of those served in the small group market.

Another 2.6 million New Yorkers saw their mental health coverage improved by the law which equalized co-payments and deductibles, including out-of-network, so that they are not greater than for other conditions like heart disease, in- and out-of-network.

Prior to Timothy's Law, only 453,000 New Yorkers in state-regulated group markets had comprehensive coverage for the most serious mental illnesses in 2006, but this coverage was included for over four million New Yorkers once the law took effect. Among those covered by large state-regulated employers (3.4 million people in 2008), the number provided with comprehensive coverage grew from just 11 percent to 100 percent.

For employees in small groups (1.7 million people in 2008), this comprehensive expanded coverage is optional for the employer and grew dramatically

from 9.6 percent in 2006 to 43.7 percent in 2008. Advocates hope that all small groups will opt for this affordable enhanced coverage in the future. The increased cost of providing the mandatory coverage for small employers was only \$1.04 per member per month, or less than one half of one percent of health insurance premiums in this market; it is subsidized by the State for some 300,000 small employers at about \$4.77 per member, per month, or nearly \$100 million per year.

Timothy's Law was set to expire at the end of 2009, but now that it has been made permanent, New York can make the most of the new federal parity requirements — the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act.

Extending parity to federal plans

The new federal parity requirements will not only extend parity to federally regulated health plans (self-funded employers) but also to Medicare and Child Health Plus. Although the new federal rules exclude small employers, they will expand mental health and addiction treatment coverage for employers of 50 or more regulated by Timothy's Law and the NYS Chemical Dependency Mandate in three crucial ways:

Day and visit limits will no longer be permitted by health plans for mental health care and addiction treatment coverage. This will render the enhanced coverage mandate for serious illnesses moot for the large groups because all conditions will qualify for medically necessary care without arbitrary limits.

State regulated group health plans will be required to cover inpatient and outpatient treatment for chemical dependency because, in requiring parity, federal law does not distinguish between inpatient and outpatient treatment. Since state law mandates outpatient coverage and makes inpatient coverage optional, the action of federal law will convert the option to a requirement.

Some mental health co-pays are,

even under Timothy's Law, charged at the "specialty" rather than the "general office visit" rate — this will no longer be permitted under federal law.

Insurance coverage for mental health and chemical dependency needs has been dramatically improved in recent years, and will continue to improve as new federal rules take effect. Millions have better coverage and lower out-of-pocket costs, and this helps individuals, their families, and their employers.

Thank You!!!

Coalition for the Homeless is very fortunate to have the support of scores of legislators who sponsor bills, restore budget cuts, and appropriate funds to address homelessness, including funds that directly support the Coalition's crisis intervention, eviction prevention, mobile emergency food, and client advocacy programs. We rely on charitable contributions, corporate grants, and foundation support for well over half our budget and also rely on government grants to help the neediest New Yorkers.

Everyone relies on lawmakers to make the right decisions in Albany. We are most grateful to all lawmakers, including the following officials, for their leadership on legislative and budgetary initiatives in 2009:

Assemblymember Jonathan Bing
Senator Neil Breslin
Assemblymember RoAnn Destito
Senator Tom Duane
Senator Shirley Huntley
Senator Liz Krueger
Senator Velmonette Montgomery
Senator Tom Morahan
Assemblymember Joe Morelle
Governor David A. Paterson
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