

# Mental Health Coverage in Tarrant County

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## **Introduction**

In recent years there has been an increasing awareness in Tarrant County of the direct treatment costs of mental illness/substance abuse and indirect costs to individuals, employers, and society. During a Legislative Roundtable sponsored by Mental Health Connection on November 27, 2006, area officials announced the formation of a Blue Ribbon Committee on mental health in the workplace. Tarrant County businesses agreed to serve as members of the committee for one year. The first meeting was held on April 11, 2007, at Alcon Laboratories.

In order to assess the current status of mental health parity in Tarrant County, the Blue Ribbon Committee initiated a survey addressing mental health coverage. The survey included questions on health care choice, covered benefits for mental health and substance abuse treatment, annual and lifetime dollar caps, prescription drug benefits, mental/behavioral health coverage costs, employee cost sharing, employee assistance programs, and employer opinions. The survey was sent to the top 50 employers in Tarrant County and to 10 other organizations sitting on the Blue Ribbon Committee. This report presents findings based on 28 survey responses received as of September 10, 2007.

## **Survey Response Rate**

Overall, nearly half (47%) of the surveys were completed and returned. However, response rates varied considerably by industry sector, as shown in Table 1. Response rates from the government and nonprofit sectors were relatively high (62% and 78% respectively) whereas the response rate from the for-profit sector was quite low (27%). Notably, 3 of the top 5 for-profit employers in Tarrant County failed to respond to the survey. The low participation from the for-profit sector complicates interpretation of the survey results. Therefore, all findings given in this report must be treated with caution and cannot necessarily be taken as representative of the for-profit sector in Tarrant County.

**Table 1. Survey Response Rates**

<b>Sector</b>	<b>Number of Surveys Sent</b>	<b>Number of Responses</b>	<b>Response Rate</b>
Government	21	13	62%
Nonprofit	9	7	78%
For-profit	30	8	27%
Total	60	28	47%

There were two waves of data collection. The first wave was from April 11 to June 27 with 20 out of the 60 surveys returned to MHMR of Tarrant County for a 33% response rate. In an effort to increase the number of responses a second wave of surveys was collected from August 10 to September 10, with 8 out of 40 surveys received for a response rate of 20%. As a result, 60

employers were in the total sample with 28 responding to the survey. The overall response rate of 47% is similar to the 2007 Kaiser annual employer health insurance survey of 49% (Kaiser Family Foundation & Health Research Education Trust, 2007).

**Characteristics of the Sample**

Most (64%) of the organizations responding the survey were large companies (1,000 – 4,999 employees in Tarrant County). Table 2 shows a breakdown of the 28 respondents by organizational size.

**Table 2. Organizational Size**

Size	Employees in Tarrant County	Number of Responses	Percentage
Jumbo	5,000 or more	5	18%
Large	1,000 – 4,999	18	64%
Medium	200 – 999	3	11%
Small	less than 200	2	7%

Most of the personnel completing the survey (82%) were from the Human Resources department of their organization, and 11% were from the Finance department. Slightly more than half (57%) of the respondents were middle management, and the remaining 43% were in an executive management position.

**Results**

***Availability of Employer-Sponsored Coverage.*** All organizations that responded to the survey offer health benefits. Mental health and substance abuse treatment coverage is automatically included in all employee plans. Outpatient and inpatient mental health services are covered in all employee plans. Outpatient and inpatient substance abuse services are covered in all employee plans.

***Choice of Health Plans.*** Nearly 6 out of 10 (59%) of the organizations offer only one health plan type, 26% offer two plans, and 15% offer three plan types.

Table 3 shows a breakdown of plans offered. (Note that 1 response is missing in this category.) The most common configuration is a single plan with a preferred provider (PPO); 48% of companies fell into this category.

Eight of the 27 organizations (or 30%) offer an innovation-driven plans such as EPO (Exclusive Provider Organization), OAP (Open Access Plan), HRA (Health Reimbursement Account, or CDH (Consumer-Directed Health Care Plan. A few (7%) offer HRA/CDH that is a combination of a high-deductible insurance plan coupled with a safe tax-free saving account used to pay for qualified health care expenses. This 7% HRA/CHD Tarrant County rate is comparable to the national rate of 8% among large companies (Dash, 2006).

**Table 3. Health Plan Types**

Plan Type	Number of Companies	Percentage
Preferred Provider Organization (PPO) only	13	48%
PPO & Exclusive Provider Organization (EPO)	3	11%
Health Maintenance Organization (HMO) & PPO	3	11%
Point-of-Service (POS) only	2	7%
EPO only	1	4%
HMO & Open Access Plan (OAP)	1	4%
PPO, EPO, & Health Reimbursement Account (HRA)	1	4%
HMO, EPO, & Consumer-Directed Health Care Plan (CDH)	1	4%
HMO, PPO, & POS	1	4%
HMO, PPO, & EPO	1	4%
Total	27	100%

United Health Care provides primary health coverage for 29% (8 out of 28) of the organizations, Blue Cross Blue Shield plans provide coverage for 25% (7 out of 28), Aetna for 14% (4 out of 28), and CIGNA 11% (3 out of 28). United Health Care provides mental/behavioral coverage for 36% (10 out of 28) of the organizations

***Mental Health/Behavioral Coverage Limits.*** All covered employees have coverage for mental health/behavioral benefits. However, limits on the number of visits for outpatient care and the number of number of days for inpatient care remain common features of most plan types, as shown in Table 4. The great majority of employers offer plans with annual limits of 30 or fewer visits for outpatient care and 30 or fewer days of outpatient treatment. In addition, most employers' plans have lifetime dollar caps between \$1 million and \$2 million on mental/behavioral benefits.<sup>1</sup>

**Table 4. Coverage Limits**

Outpatient	Annual Limits		Lifetime Limits	
	Unlimited	30 visits or fewer	Unlimited	\$1-2 million
Mental Health	11%	78%	29%	57%
Substance Abuse	12%	82%	29%	41%
Inpatient	Unlimited	30 days or fewer	Unlimited	\$1-2 million
Mental Health	5%	81%	33%	53%
Substance Abuse	17%	72%	28%	44%

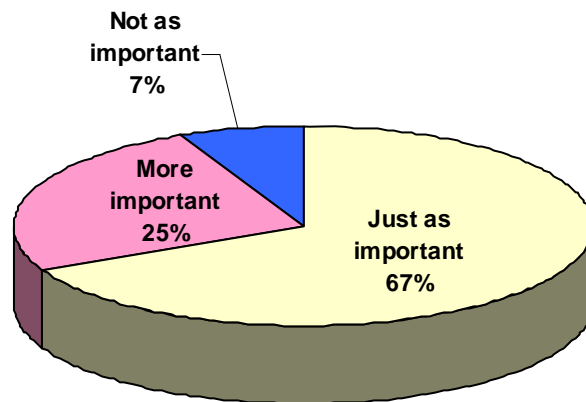
<sup>1</sup> Many respondents did not complete this section of the survey. As a result of missing data, the sample size for the numbers reported in Table 4 ranged from 14 to 21. Annual dollar caps are not reported because very few employers (7) provided that information.

**Employee Access to Mental Health Benefits and Care.** The great majority (85%) of the organizations reported that employees had direct access to mental health benefits. Most (63%) reported that their employees used an Employee Assistance Program (EAP) for mental health referrals, while 44% reported the use of primary referrals.

Most organizations (61%) offer two or more routes to access mental health benefits. However, when respondents were asked what is the biggest challenge in making referrals 82% reported that issues relating to access to care were their biggest challenge.

**Importance of Mental Health Coverage.** Two thirds of respondents reported that mental health coverage is just as important to their employees as physical health coverage. A quarter reported that mental health coverage is more important than physical health coverage. These results are shown in Figure 1.

**Figure 1. Importance of Mental Health Coverage  
Relative to Physical Health Coverage**  
(N = 28)



**Employee Assistance Program (EAP).** Most of the organizations (85%) have an Employee Assistance Program (EAP) which is typically linked to the mental health/behavioral plan.

**Cost Sharing.** Almost 9 out of 10 (89%) of the organizations reported that the mental health coverage is part of the medical costs rated to the employer. About a third (32%) reported that mental health coverage is employer-paid. Only in 11% of the cases is the mental health coverage employee-paid. The employee contribution ranged from 15% to 25% for the premium.

**Prescription Drug Benefits.** Prescription drug benefits coverage is included in all employee plans. Fewer than half (46%) place restrictions on the supply of medications. The most common restriction is a 30-day supply limit on prescription drugs.

***Most Prevalent Mental Health/Behavioral Issue in the Workplace.*** By far depression was the most commonly reported mental health concern in the workplace, with 95% of respondents identifying depression as the most prevalent mental/behavioral problem among their employees. Substance abuse was also frequently cited (24% of respondents).<sup>2</sup>

### **Summary and Key Findings**

The purpose of the survey was to determine the current status of mental health insurance coverage among employers in Tarrant County. A total of 28 employers were surveyed from the government, nonprofit, and for-profit sectors. For-profit employers, however, were significantly under-represented in the survey sample, and thus the results should be interpreted with caution.

All surveyed employers provided automatic mental/behavioral health coverage in their plans. However, most plans imposed annual limits on outpatient visits and inpatient days in treatment as well as lifetime spending caps for mental health and substance abuse treatment.

Most employers recognized the importance of mental health coverage. Only 7% of respondents indicated that mental health coverage was less important to their employees than physical health coverage. A quarter reported that mental health coverage was more important.

Nearly all respondents (95%) identified depression as the most prevalent mental health concern faced by their employees. The high prevalence of depression in the workforce is well recognized, and research indicates that the indirect costs (e.g., lost productivity) of depression are more than twice the direct costs of treatment (Sullivan, 2005). Moreover, most depression goes undiagnosed and untreated (Marlowe, 2002), resulting in indirect costs in the range of billions of dollars. Clearly, the impact of depression and other mental health issues in the workplace is staggering.

The Blue Ribbon Committee's next task will be to identify the elements of a model system which employers can implement in order to address these challenges. Barriers in the workplace such as stigma and lack of education concerning mental health issues must be addressed in an effective system.

### **References**

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<sup>2</sup> Note that several respondents identified more than one top concern, so percentages sum to more than 100%.