



House Insurance Committee
HB 1192 – Coverage for Children with Serious Emotional Disturbance
April 5, 2011

Texans Care for Children is a statewide nonpartisan, nonprofit advocacy organization dedicated exclusively to the children of Texas. We look to our broad base of community-based experts—our partners and 147 members throughout the state who together represent thousands of Texas children—to inform our work and help us in developing our legislative agenda. We also co-convene various stakeholder groups – including the Texas Children’s Mental Health Forum - which bring together a wide range of organizations, families, and advocates around our areas of focus, which are: family economic security; infant, child and maternal health; children’s mental health; child welfare; and juvenile justice and at-risk youth.

HB 1192 would help children with mental disorders who are most in need of help access treatment, helping them to manage their symptoms and avoid the need for more costly public services if left untreated.

Children with serious emotional disturbance (SED) represent a subset of children with mental illness who experience the most difficulty in functioning successfully at home, in school or in their communities. They are also at high-risk of negative personal and societal outcomes:ⁱ

- While in school, children with SED tend to experience high rates of absenteeism and poor social integration and are twice as likely as students without SED to drop out of school.
- As they transition into adulthood, youth with SED have lower employment rates and are more likely to be arrested. Of youth who had dropped out of school, 74% had been arrested within 3-5 years.
- Compared to youth with other disabilities, youth with SED are more than twice as likely to end up living in correctional facilities, halfway houses, drug treatment centers, or to be homeless.

Research has shown that caring for a child with mental health concerns negatively affects a family’s stability and financial well-being, more so than caring for a child with other special health needs.

- Parents of children with mental health disorders are more likely than other parents to cut work hours, to quit work, and to spend more time arranging their child's care.ⁱⁱ
- Research has shown that parents of children with mental health problems experience higher levels of stress in their parenting roles.ⁱⁱⁱ
- These parents often have higher rates of mental health problems, as well as higher marital, employment, and financial problems.^{iv}

Despite the availability of effective mental health treatments, most youth with mental disorders do not receive mental health care.^v

- A child living in Texas has less of a chance to receive necessary mental health treatment than children living in any other state.^{vi}
- The juvenile justice system is the de facto mental health system for youth in Texas. In 2006, 41% of youth in the Texas Juvenile Probation Commission had a mental health disorder.^{vii} In 2010, 42% of youth sent to Texas Youth Commission facilities had a “high or moderate need for mental health treatment.”^{viii}

Medicaid, CHIP, and the public mental health system cover treatment of SED. Private insurance plans often do not. When children are covered by private health insurance, parents report that costs impede access to mental health treatment.^{ix} A 2009 article in the journal of the American Academy of Pediatrics found:

“Families of children with mental health care needs with private insurance coverage face significantly greater financial barriers, have more negative health plan experiences, and are more likely to reduce their labor-market participation to care for their child than other families. ... In absolute terms, this burden is substantial.”^x

Faced with lack of access to mental health services and supports, some parents are compelled to place their kids in the child welfare or juvenile justice system. Caring for a child with SED places tremendous stress on a family, staining the family’s ability to function in meeting the needs of other children in the family or fulfilling job-related responsibilities. While there is no formal or informal tracking nationally or in Texas, a U.S General Accounting Office (GAO) report found it is not uncommon for families, across all financial levels, to place a child with SED in the child welfare or juvenile justice system.^{xi} In addition to anecdotal information, Texas data points to the occurrence:

- In 2008, nearly 300 of the children who entered substitute care within the Department of Family and Protective Services due to parental refusal to accept responsibility had documented emotional problems that were disabling.^{xii}
- In 2001, the juvenile probation departments in Dallas and Harris counties estimated 400 youth were arrested to obtain mental health services.^{xiii}
- We know from parents that, in many of these cases, their inability to access services to address their children’s behavioral health needs is the driving factor in the child’s removal from home.

Private health insurance limitations have been identified as a factor that increases the number of children placed in child welfare and juvenile justice systems to obtain mental health services.^{xiv}

Although these children may not have been abused or neglected, or may not have committed a criminal or delinquent act, parents are turning to these state systems because they see no alternatives for obtaining mental health services for them. While families from all income levels face these challenges, it is most often middle class families, who do not qualify for public health benefits nor can afford the cost of treatment out of pocket, who report feeling compelled to relinquish their child to the child welfare system or have their child arrested in order to receive treatment for serious mental health concerns.^{xv}

Requiring private insurance plans to cover children with serious emotional disturbance (SED) will require no state funds, but will save the state money by reducing spending in child welfare, juvenile and criminal justice systems. Negative outcomes for children with SED are not inevitable. There are many strategies to support successful outcomes, with improving access to treatment being a key part of the solution. Other states require private insurance plans to cover treatment for a mental disorder that significantly interferes with a child’s ability to function at home, in school or the community. An analysis by New York State Insurance Department found that following such a mandate in that state, premiums rose by only about a \$1 a month, while considerably increasing mental health coverage.^{xvi} The report also found consumers and brokers generally did not view the mandates as a significant issue relative to cost or their overall purchasing decision.

Health care reform does not guarantee children and youth with the most serious emotional problems will have access to the treatments they need to get better. Until federal regulations related to health care reform are written, it is unclear what types of mental health services will be covered and what gaps will remain.^{xvii} We need to make sure Texas children who arguably need mental health treatment the most have access to it, no matter if they are covered by public or private health benefit plans.

Texans Care for Children urges the Committee to favorably report HB 1192.

Thank you for your time and commitment. If you have any questions, please feel free to contact me or the staff of Texans Care for Children at 512.473.2274.

Respectfully,

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ⁱ Wagner, M. (1995). “Outcomes for youths with Serious Emotional Disturbance in Secondary School and Early Adulthood.” *Critical Issues for Children and Youths*. 5(2).

ⁱⁱ Busch, S., and C. Barry. (2009) “Does Private Insurance Adequately Protect Families of Children With Mental Health Disorders?” *PEDIATRICS* Vol. 124 Supplement December 2009, pp. S399-S406.

ⁱⁱⁱ Barry, C., S. Busch. (2007) “Do State Parity Laws Reduce the Financial Burden on Families of Children with Mental Health Care Needs?” *Health Services Research*. 42(3 pt 1). 1061–1084.
<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1955255/>

^{iv} Barry, C., S. Busch. (2007) “Do State Parity Laws Reduce the Financial Burden on Families of Children with Mental Health Care Needs?” *Health Services Research*. 42(3 pt 1). 1061–1084.
<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1955255/>

^v Kathleen Ries Merikangas, Jian-ping He, Marcy Burstein, Joel Swendsen, Shelli Avenevoli, Brady Case, Katholiki Georgiades, Leanne Heaton, Sonja Swanson, Mark Olfson. Service Utilization for Lifetime Mental Disorders in U.S.

Adolescents: Results of the National Comorbidity Survey–Adolescent Supplement (NCS-A). *Journal of the American Academy of Child & Adolescent Psychiatry*, 2011; 50 (1): 32

^{vi} Kaiser Family Foundation. (2007). *Percent of Children (2-17) with Emotional, Developmental, or Behavioral Problems that Received Mental Health Care, 2007*.

<http://statehealthfacts.org/comparetable.jsp?typ=2&ind=53&cat=2&sub=14&sortc=1&o=a>

^{vii} Texas Juvenile Probation Commission.(2008) *Models for Change: Systems Reform in Juvenile Justice Grant Application*.

^{viii} Texas Youth Commission. (2010) *Who Are Youth Offenders?* http://tyc.state.tx.us/research/youth_stats.html

^{ix} DeRigne, L. (2010). “What are the parent-reported reasons for unmet mental health needs in children?” *Health and Social Work*. 35(1).

^x Busch, S., and C. Barry. (2009) “Does Private Insurance Adequately Protect Families of Children With Mental Health Disorders?” *PEDIATRICS* Vol. 124 Supplement December 2009, pp. S399-S406.

^{xi} U.S. General Accounting Office. (2003). *CHILD WELFARE AND JUVENILE JUSTICE: Federal Agencies Could Play a Stronger Role in Helping States Reduce the Number of Children Placed Solely to Obtain Mental Health Services*. <http://www.gao.gov/new.items/d03397.pdf>

^{xii} Department of Family and Protective Services. (2010). *CPS and Refusal to Accept Parental Responsibility*. <http://texanscareforchildren.org/Images/Interior/mh%20forum/rapr%20background.pdf>

^{xiii} U.S. General Accounting Office. (2003). *CHILD WELFARE AND JUVENILE JUSTICE: Federal Agencies Could Play a Stronger Role in Helping States Reduce the Number of Children Placed Solely to Obtain Mental Health Services*. <http://www.gao.gov/new.items/d03397.pdf>

^{xiv} U.S. General Accounting Office. (2003) *CHILD WELFARE AND JUVENILE JUSTICE: Several Factors Influence the Placement of Children Solely to Obtain Mental Health Services* Testimony before the Committee on Governmental Affairs, U.S.Senate. <http://www.gao.gov/new.items/d03865t.pdf>

^{xv} U.S. General Accounting Office. (2003). *CHILD WELFARE AND JUVENILE JUSTICE: Federal Agencies Could Play a Stronger Role in Helping States Reduce the Number of Children Placed Solely to Obtain Mental Health Services*. <http://www.gao.gov/new.items/d03397.pdf>

^{xvi} New York State Insurance Department Report. (2009). *Report by the Superintendent of Insurance On the Cost and Effectiveness of New York’s 2006 Mental Health Parity Legislation (“Timothy’s Law”)* http://www.ins.state.ny.us/timothy/tim_super_rpt_052009.pdf

^{xvii} National Academy of State Health Policy. (2011). *The Affordable Care Act and Children with Special Health Care Needs: An Analysis and Steps for State Policymaker*. <http://hdwg.org/sites/default/files/ACAandCSHCNpaper.pdf>