Is your mental health covered by your health insurance?

Samantha Ernst, Gabrielle Jenkin

While New Zealanders face a 40% lifetime prevalence of a mental illness diagnosis¹ and a third have private health insurance,² little is known about health insurers’ coverage of mental health conditions and their treatment. To get an idea of what is happening in this area we examined readily available policy documents from five main health insurance providers in New Zealand (those listed by Consumer NZ³ and the Health Funds Association of New Zealand).⁴ Using search terms based on common mental health conditions (listed on the Mental Health Foundation of New Zealand website)⁵ and in relevant literature, we examined policy coverage and wording around mental health treatment and benefits, exclusion statements and disorder-specific statements.

We found 36 policies for the five insurers. Just over half of these policies provided for some mental health cover (see Table 1).

Out of all the plans, 55% (n=20) provided for psychiatric consultations, 11% (n=4) provided for clinical psychologist consultations and 36% (n=13) provided for psychiatric hospitalisations. One provider (company D) did not cover any treatment, except under specific conditions. Further, company B offered benefits for counselling and psychological support only for policy holders undergoing treatment for cancer or cardiac surgery, and company D offered benefits only where they were related to post-cancer treatment care and support.

Visiting a private psychiatrist in New Zealand can cost between NZ$160 per hour⁶ to around NZ$330 per hour.⁷ Of eight plans provided by company A, five paid in full for an initial psychiatric consultation, and one plan paid a benefit of NZ$500 per year. Under company B’s 13 plans, only three policies covered psychiatric consultations, and the benefits differed slightly with one plan covering NZ$600 per year and the other two plans covering NZ$200 per year. Company C’s benefits ranged across six different plans: from a minimum of NZ$650 to a maximum of NZ$750 per year. Finally, company E’s psychiatric consultation benefits ranged from NZ$100 to NZ$150 per visit for up to three visits per year; however, these benefits only applied after five years’ continuous cover.

Table 1: Health insurance cover: five main providers.

<table>
<thead>
<tr>
<th>Company</th>
<th>Psychiatric consultation</th>
<th>Clinical psychologist consultation</th>
<th>Psychiatric hospitalisation</th>
<th>Total number of plans examined</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>6⁺</td>
<td>0</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>B</td>
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<tr>
<td>E</td>
<td>5⁺</td>
<td>0</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>4</td>
<td>13</td>
<td>36</td>
</tr>
</tbody>
</table>

⁺Psychiatrist consultation for an initial assessment of mental health is covered for the first consultation only.
⁺⁺Psychiatric consultation benefits apply after five years’ continuous cover in any plan option.
⁺⁺⁺Offers psychologist consultations, therapy and counselling for specifically post-cancer treatment care and support.
Hourly fees to see a clinical psychologist start around NZ$120. Under company B’s most prestigious plan, consumers can access clinical psychologist benefits for up to NZ$300 per year. Three of company C’s plans provided coverage for clinical psychologist consultations: either $100 per year with an optional Module for two different policies, or NZ$150 per visit up to NZ$600 per year in the other plan.

All three of company B’s plans with psychiatric hospitalisation benefits covered NZ$330 per night, to a maximum of NZ$1,650 per admission. Company C had six hospital plans that covered for psychiatric hospitalisations for a minimum of NZ$2,250 to a maximum of NZ$3,500 per year. Lastly, company E’s psychiatric hospitalisation admission benefits applied only after five years’ continuous cover and ranged from NZ$2,000 to NZ$2,750 per year. As a reference, the Ashburn Clinic, a psychiatric health care centre in Dunedin, charges a minimum fee of $2,905 on admission to inpatient care, which does not cover individual appointments with psychiatrists or psychotherapists.

Exclusions

Our analysis revealed that every company had a general mental illness exclusion statement rejecting pre-existing or newly diagnosed psychiatric disorders from coverage. These statements included exclusions of any ‘psychiatric, psychological and/or neurodevelopmental disorder’, ‘a psychiatric, behavioural, psychological or developmental condition’ and ‘mental health healthcare services’.

Specified mental health disorder exclusions

When addressing mental health, some policies named specific disorders (Table 2).

Of the 36 health insurance plans examined, dementia/Alzheimer’s was the most commonly mentioned mental health condition (94.4% of plans), followed by any substance use disorder (77.8%), ADD/ADHD (69.4%) and any eating disorder (36.1%). All plans specifically excluded coverage for any injury or illness relating to suicide and self-harm; however, plans had different ways of describing such behaviours. Stress, bipolar disorder, post-traumatic stress disorder and schizophrenia or any other psychotic disorders were not mentioned in any of the policy documents.

These results provide a snapshot of the limited benefits provided by the main health insurers for mental health conditions and care in New Zealand. Although our investigation was limited to the readily available health insurance policies of five companies, these were the most popular

Table 2: Number of plans that explicitly named specific mental health conditions.

<table>
<thead>
<tr>
<th>Company</th>
<th>Number of policies (n)</th>
<th>Dementia/Alzheimer's</th>
<th>Any substance use disorder</th>
<th>Self-inflicted injury</th>
<th>ADD/ADHD</th>
<th>Attempted suicide</th>
<th>Any eating disorder</th>
<th>Intentional or deliberate self-injury</th>
<th>Depression</th>
<th>Suicide</th>
<th>Autism spectrum disorders</th>
<th>Tourette syndrome</th>
<th>“Whether sane or insane”</th>
<th>Any anxiety disorder</th>
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<td>A</td>
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</tbody>
</table>

*These conditions were included in a plan with special conditions.
according to our sources. We recognise that insurance underwriting is complex and that companies are balancing risk of claims against income. However, it is notable that the available cover is negligible compared to that available for many other common health problems. To provide a more comprehensive picture of the role of health insurers in the provision of mental health care in this country, we think it would be useful to conduct similar research examining life and employment protection insurance, and other aspects of insurance cover and costs (ie, premium calculations and pay-outs).

Competing interests:
Nil.

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