



ST. PATRICK'S UNIVERSITY HOSPITAL

Submission

to

The Health Insurance Authority
An tÚdarás Árachas Sláinte

on

**The Consultation Paper on Risk
Equalisation in the Irish Private
Health Insurance Market**

August 2010

St. Patrick's University Hospital is Ireland's largest independent, not-for-profit, mental health service provider and aspires to provide the highest quality of mental health care, to promote mental health and to advocate for the rights and integrity of those who suffer from mental illness in Ireland.

We are aware that a number of submissions, including the submission of the IHAI, have been made in respect of this consultation paper. As a member of the IHAI St. Patrick's is in broad agreement with the overall thrust of their submission, however we believe that a specific submission is required in respect of mental illness.

Background

Mental Health problems are among the most common of all health conditions, directly affecting about a quarter of the population in any one year. They range from short-term problems to serious long-term illnesses.¹

Diagnosis of mental illnesses occurs across every strata of society and can occur at any age. In-patient hospital treatment, when required, is usually of longer duration than other medical conditions and often requires additional day care services and treatment programmes to equip service users with the skills and wellness tools required to manage their own mental health and improve their quality of life, despite their mental health obstacles. Mental illness by its nature is episodic and usually requires more than one course of treatment.

New research published this month shows that people who experience mental illness in early adulthood face a range of negative economic outcomes at the age of 30. The effects were most significant among people who had experienced more than one episode of psychiatric disorder.² Commenting on the research, the author stated "Our study also showed that those people most at risk of negative outcomes are not those who experience any specific type of psychiatric disorder, but rather those people who experience more than one episode or period of illness. We therefore need to develop targeted interventions to help people who experience repeated episodes of illness."³

The 2001 world health report (WHO) stated that Mental and behavioural disorders have a large impact on individuals, families and communities. It is estimated that one in four families has at least one member currently suffering from a mental or behavioural disorder. These families are required not only to provide physical and emotional support, but also to bear the negative impact of stigma and discrimination present in all parts of the world. While the burden of caring for a family member with a mental or behavioural disorder has not been adequately studied, the available evidence suggests that it is indeed substantial (Pai & Kapur 1982; Fadden et al. 1987; Winefield & Harvey 1994). The burden on families ranges from economic difficulties to emotional reactions to the illness, the stress of coping with disturbed behaviour, the disruption of household routine and the restriction of social activities (WHO 1997a).⁴

Mental illness cover is seen as unattractive to health insurers. This is due to the perceived high cost of individual claims necessitated by a longer average length of stay when compared with other general medical or surgical claims. Although minimum health benefits include cover for psychiatric illness there is a significant disparity between minimum coverage levels when compared to general medical coverage. If a comprehensive risk equalisation scheme is not cognisant of these factors there is a concern that insurers may promote plans and campaigns to market segments which effectively will reduce the cover provided to minimum permitted limits.

Recommendations

- St. Patrick's University Hospital submits that an episode of mental illness requiring in-patient hospital treatment and/or long-term daycare/treatment services in a registered mental health facility should be included in a Diagnosis Related Group (DRG) risk equalisation system based on ICD 10 codes.
- The monetary amounts associated with benefits should incorporate the full economic cost of providing benefits. The minimum cost associated with inpatient psychiatric hospital care should be reviewed in order to represent a more accurate economic cost. Careful consideration of what constitutes a luxury item for a modern mental health service is

warranted. For example, single private rooms are a clinical imperative to ensure dignity and respect for each individual requiring in-patient hospital treatment and should not be defined as “a luxury item”.

- Current minimum benefits pertain only to in-patient care although the focus of treatment is to return people to normal daily life as soon as possible. Clinically necessary on-going daycare treatment and out-patient therapy should also be included.

St. Patrick’s University Hospital would welcome the opportunity to further discuss its recommendations.

Contact: gobeirne@stpatmail.com

¹Mental Health Foundation

<http://www.mentalhealth.org.uk/information/mental-health-overview/>

² **Burden of psychiatric disorder in young adulthood and life outcomes at age 30.**

Gibb, Sheree J; Ferguson, M; Horwood, L.J: British Journal of Psychiatry (2010) 197: 122-127.

³ Medical News Today

<http://www.medicalnewstoday.com/articles/196986.php>

⁴**The world health report 2001 - Mental Health: New Understanding, New Hope.**

Chapter 2: Burden of Mental and Behavioural Disorders: