



Agenda Item 11

May 20, 2014

ITEM NAME: Behavioral Health Overview

PROGRAM: Benefit Programs Policy and Retirement

ITEM TYPE: Information

EXECUTIVE SUMMARY

This item is part of on-going informational presentations focusing on factors that influence the health and wellness of our members. Dr. Sandra Hernandez, Chief Executive Officer of the California HealthCare Foundation, will talk with the Committee about behavioral health issues and the impact on overall health outcomes.

STRATEGIC PLAN

This item relates to Goal A, Improve long-term pension and health benefit sustainability.

BACKGROUND

CalPERS and other health benefit purchasers play a role in the administration of mental health care benefits. The Mental Health Parity and Addiction Equity Act of 2008 required that by 2014 copayments and treatments limitations for medically necessary medical and mental health care treatment be the same. However, this does not address the issue of care that is wanted, but not deemed medically necessary. Additionally, the Patient Protection and Affordable Care Act, which took effect January 1, 2014, includes mental health and substance abuse among the requirements that have to be covered by a certified health plan under the law. The parity law and coverage for mental health highlight the importance of the intertwined nature of mental and physical health and recognize that the mind and body must be treated holistically.

ANALYSIS

According to the California HealthCare Foundation, mental illness impacts a significant proportion of California's adult population, with approximately 1 in 20 adults in California suffers from a serious mental illness. Alarmingly, children suffer a higher rate; for 1 in 13 children, their participation in daily activities is limited by mental illness.

CalPERS health plans provide medically necessary services for behavioral health issues. A recent analysis of our data reveals that in 2012, we spent approximately \$221 million for medical and prescription drug costs for the treatment of behavioral

health issues. Depression was the most costly episode (\$70 million total), with bipolar and substance abuse second and third, \$47 million and \$40 million, respectively. An analysis of three years of episodes does not reveal a trend toward increasing spend on the whole. In fact, 2012 expenditures were slightly less than 2011. Nonetheless, the issues of behavioral health overall are significant in terms of their impact on daily living and working and impact our members every day.

BUDGET AND FISCAL IMPACTS

This item has no budget or fiscal impacts.

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