



Addressing Children’s Mental Health

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An estimated [one in five children](#) in the United States has a diagnosable mental health condition that, when left untreated, places a strain on families and budgets. The long-term costs of childhood psychological problems result in a lifetime loss in family income of approximately \$300,000, according to a [study](#) in Social Science and Medicine. Given these costs, along with the prominent national conversation surrounding behavioral health, some lawmakers are looking into identifying and treating mental health issues early.

Medicaid, the Children’s Health Insurance Program (CHIP) and private health insurance plans provide health care coverage to [94 percent of children in the U.S.](#)

Medicaid and CHIP cover 57 percent of children, of which the [Kaiser Family Foundation](#) estimates 3.2 million report emotional or behavioral health needs. According to the [Center for Health Care Strategies](#), children who use behavioral health services account for more than 38 percent of Medicaid spending for children, yet represent less than 10

percent of children enrolled. Medicaid requires states to provide a full range of services, including mental health care, for children through the Early, Periodic, Screening, Diagnostic and Treatment (EPSDT) program.

All marketplace health plans under the Affordable Care Act (ACA) must cover screenings for mental health conditions, such as depression, at no cost.

Federal Action

Three major federal laws regulate insurance coverage of behavioral health parity, including the [Mental Health Parity Act \(MHPA\)](#) of 1996, the [Mental Health Parity and Addiction Equity Act \(MHPAEA\)](#) of 2008 and additional provisions under the [Affordable Care Act \(ACA\)](#) of 2010. Parity means that insurance companies cannot have more restrictive requirements for behavioral health than for physical health, such as limiting the number of visits covered.

The Mental Health Parity Act required parity in aggregated lifetime and annual dollar limits for large group health plans for behavioral health services. The Mental Health Parity and Addiction Equity Act

Did You Know?

- Untreated mental disorders and mental illness in children can lead to [costly outcomes](#) such as school dropout, substance use and suicide.
- Half of lifetime cases of mental illness [begin by age 14 and 75 percent of all lifetime cases present by age 24.](#)
- Early intervention and access to treatment [may decrease the financial and health burdens](#) associated with mental illness.

extended such protections to substance use disorders (SUD). The extension applies only to health insurance policies that offer mental health and SUD benefits. The Children’s Health Insurance Program Reauthorization Act ([CHIPRA](#)) of 2009 applied parity requirements to CHIP and Medicaid.

The ACA requires health insurance policies to cover mental health services as one of the [10 Essential Health Benefits](#).

State Action

State strategies to improve access to children’s mental health care include enforcing and strengthening parity laws, providing additional coverage for mental health through Medicaid waivers, and providing access to mental health services in a variety of settings.

All states have varying mental health parity laws that require group or individual health insurance providers to cover certain mental health services equally with physical health services. At least five states—including Connecticut, Maryland, Minnesota, Oregon and Vermont—have comprehensive parity laws requiring equal coverage of a wide range of mental health conditions and SUDs. At least 18 other states require equal coverage for either mental health or substance use disorders for a specific type of insurance provider. For example, some states require only HMOs and group plans to cover mental health treatment and provide exemptions for plans that cover 50 employees or less.

In an effort to enforce parity requirements, Massachusetts established a statewide children’s mental health program ([SB 44](#)) that created a Child Ombudsman Office. An ombudsman ensures that the laws and regulations are being followed, imposes cost-share agreements on state and local agencies when necessary, and ensures compliance with relevant policy.

Legislators and executive branch staff in all states may address coverage and access to mental health services through 1115 Medicaid demonstration waivers. These waivers, upon federal approval, allow flexibility in what a state’s Medicaid program may cover. For example, [Iowa’s Children’s Mental Health 1115 Waiver](#), which became effective in 2013, provides family and community supports as well as a wide range of wraparound services for

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children up to age 17 with a severe mental health condition.

Sixteen states use [1915\(c\) Medicaid waivers](#) to provide children with autism spectrum disorder home- and community-based services. Iowa uses a [1915 \(c\) waiver](#) to provide family and community support services, as well as therapy, for children from birth through age 17 with severe emotional disturbance ([SED](#)).

Along with parity and insurance laws, some states are expanding mental health services in schools and other settings. In 2017, Minnesota allocated funds for school-linked mental health services, children’s mental health screenings and services for children with severe emotional disturbance through the [Mental Health Innovation Grant Program \(SF 2\)](#). Illinois expanded the school entry [Child Health Examination](#) form to include social and emotional screening ([SB 565](#)). Florida requires mental health needs to be disclosed during school enrollment to provide early intervention and referrals for children who may be at risk ([SB 7026](#)). Idaho requires its Children’s Mental Health Program to provide funding for clinical mental health services in juvenile detention facilities ([HB 682](#)).

Additional Resources

- [NCSL webpage, Mental Health Benefits: State Laws Mandating or Regulating](#)
- [NCSL LegisBrief, Improving Children’s Mental Health](#)
- The U.S. Department of Substance Abuse and Mental Health Services Administration (SAMHSA), [Federal Laws Related to SAMHSA](#)
- [Mental Health America, Children’s Mental Health](#)
- [American Psychological Association, Children’s Mental Health](#)

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