

Insurance Coverage of Mental Illness: A Good Beginning but a Long Way to Go!

The Mental Healthcare Act received the nod of the president in April 2017 and became the new Act replacing the old Mental Health Act of 1987. One of the important provisions in the Act is the provision of insurance facilities for the mentally ill. According to section 21(1) of the Act,¹ “Every person with mental illness shall be treated as equal to persons with physical illness in the provision of all health care.” According to section 21(4) of the Act,¹ “Every insurer needs to make provisions for medical insurance for treatment of mental illness on the same basis as is available for the treatment of physical illness.” In compliance with the guidelines laid down in this section, the Insurance Regulatory and Development Authority of India (IRDAI), in a circular dated 16th August 2018, stated that the insurers would have to comply with the provisions of the Act with immediate effect by covering costs related to mental illness. The circular is a positive step that will ensure coverage of a large section of the population, which was hitherto ignored. Insurance policies till date have wordings, which specifically mention that costs incurred on treatment of psychiatric conditions will not be covered. This provision not only made recurrent costs of treatment of mentally ill an additional financial burden for caregivers but also served to discriminate between patients with “physical” and “mental” illness. While the circular from IRDAI is a major progressive step, many issues have to be sorted out to ensure that the benefit reaches the maximum number of patients with mental illness. Till date, insurance companies only pay for inpatient treatment of various illnesses. If the same policy is extrapolated to mental illness, it will cover a minuscule portion of the mentally ill population. Majority of the patients need cost cover for prolonged outpatient treatment, which needs to be brought under the ambit of insurance. Insurance policies have several underwriting norms by means of which insurance coverage can be denied to individuals with various physical illnesses. Such underwriting norms and riders should be worked out with caution so that they do not serve as easy means to exclude benefits to patients with mental illness. Most insurance policies have disease based exclusion periods which means that specified illnesses are not covered for an initial period after the policy is done. This may apply to mental illnesses also, and this area has to be worked out properly to ensure that the insurers cannot deny the benefits to the mentally ill for long. Finally, the cost slabs of inpatient treatment will have to be worked out carefully as this is a completely new area for these companies. The health insurance sector in India should implement the newer policies related to coverage of mental illness in conjunction with various organizations of mental health professionals to ensure a policy which will have practical benefits to long-deprived mentally ill patients and not just do lip-service to section 21 of Mental Healthcare Act!



REFERENCE

1. Ministry of Law and Justice. The Mental Healthcare Act; 2017. Available from: <http://www.egazette.nic.in/WriteReadData/2017/175248.pdf>.

Gautam Saha

Director

Clinic Brain, Neuropsychiatric

Institute and Research Center

Barasat, West Bengal, India

e-mail: drgautamsaha@gmail.com