

May/June 2011



Meeting Needs of Adults with Mental Illness Under Affordable Care Act

This paper examines the salient issues raised in a November 2010 roundtable discussion of national and state experts convened by the Kaiser Commission on Medicaid and the Uninsured, in partnership with the Bazelon Center for Mental Health Law, to discuss Medicaid policy options available under health reform to help meet the needs of adults with mental illness. **READ MORE** [<http://www.kff.org/healthreform/8181.cfm>]

Mental Health Financing: A Primer

This primer provides an overview of behavioral health care, reviews the sources of financing for such care, assesses the interaction between different payers, and highlights recent policy debates in mental health. It also discusses the role of Medicaid, currently the largest source of financing for behavioral health services in the nation, covering a quarter of all expenditures. This comprehensive resource serves as a guide for those who want to understand the complex system of behavioral health financing in the United States. **READ MORE** [<http://www.kff.org/medicaid/8182.cfm>]

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Medical Professional Liability *The Changing Environment*

Change is certainly the big “buzz word” right now in the behavioral healthcare industry. Given all of the dramatic changes affecting the field, you may not have given much thought to the rapidly changing landscape of medical professional liability, and how it might impact your insurance and risk management program.

Looking at it from the insurance company perspective, some areas of concern include tort reform rollbacks, new information technology, changes in science and medicine, expanded client services and healthcare reform laws. On the insurance front, we see some specific market changes, too.

Over the past seven years, insurers have enjoyed unprecedented profitability in medical professional liability underwriting results, resulting in strong carrier balance sheets and premium rates trending downward for healthcare organizations and professionals. Much of this improvement in overall claim costs has been directly tied to state tort reform measures established and strengthened in many states several years ago. Professional liability rate levels for behavioral healthcare facilities with good loss experience are down about 50 percent on average, below their 2003 rate levels. Some have experienced even more dramatic savings in recent years as insurers have aggressively pursued market share in the health and human services segment.

However, there is little doubt that “change is in the air” for medical professional liability insurance. Uncertainty about exposures and risks are combining with several noteworthy developments and trends to signal a shift in the medical professional liability environment. Years of reduced liability premium levels and a string of global catastrophes (including the recent earthquake and tsunami in Japan) are starting to adversely impact insurance carrier profits. Bond yields (the bond market is where insurers invest most premiums before paying out claims) are at historic lows making for dismal investment income results.



The insurance market is cyclical and all signs are pointing to a shift in the cycle from the current “soft market” conditions, with ample availability of insurance coverage at low prices and favorable policy wording, to a “hard market,” with limited availability of coverage, at higher prices and more restrictive terms and conditions. Since insurance company balance sheets are still relatively healthy, this shift will likely be more gradual in nature overall. There has been a recent uptick in the frequency and size of claims for professional errors and omissions by behavioral healthcare providers. This has led to a significant slowing of the recent years’ rate decreases, and facilities and professionals with poor claim experience are likely to see significant rate increases in upcoming renewals.

As the healthcare field and medical professional liability exposures are changing rapidly, it is important for behavioral healthcare providers to consult with their legal counsel and their insurance brokers to be certain that their insurance coverage and risk management programs are properly designed to protect their reputations and assets. No entity can completely avoid the inherent risk of change, but they can certainly manage their risks. Partnering with both an insurance broker and an insurance company that understands the changes and challenges facing the behavioral healthcare industry is a sound approach to developing the most effective risk management and insurance program to guide your organization safely along the changing landscape.

About the author: Richard Willelts, CPCU, ARM, is the Program Director for NSM Insurance Group's Addiction Treatment Providers Insurance Program. If you would like to learn more about medical professional liability in behavioral health, please email Rich [rjwillelts@nsminc.com] or call 800-970-9778, ext. 225.

Extract from article submitted to Addiction Professional Magazine, a Vendome Group publication.

New Show on A&E Highlights Benefits of “Sober Coaching”

From the Emmy Award-winning producers of A&E's critically acclaimed "Intervention" comes the new original real-life series, "Relapse." The five-episode, one-hour series premiered Monday, April 4. To watch an episode, visit A&E online. [<http://www.aetv.com/relapse/>]

More than 50 percent of addicts who get sober will relapse, and addicts who continue to do so generally need one-on-one help. Sober coaches are former addicts who have found their way back to clean living. They dedicate their lives to giving individualized attention to those who can't break their destructive habits. The coaches are often a last resort for addicts who have tried other methods to get sober but have failed.

In each episode of "Relapse" the coaches, over the course of a week, work one-on-one with addicts to get them through painful withdrawal symptoms, face personal challenges and reconnect with family and friends who have lost hope. For the first time ever, viewers ride along with the sober coaches as they jump into the lives of their clients, forming a bond that is the heart of every episode, and make them face their demons head on.

In the series premiere, David is a firefighter whose alcoholism has escalated into violent behavior. His wife won't allow their children to come near him, and he's been suspended from the fire department. Meanwhile, Brooke was a top student before her meth addiction and partying lifestyle forced her to drop out. Now, with the help of sober coaches, David and Brooke have one last chance to change before it's too late.



"Relapse" is produced by GRB Entertainment for A&E Network. Gary R. Benz, Michael Branton and Dan Partland are executive producers. Jeff Grogan serves as co-executive producer. A&E executive producers are Robert Sharenow and Jordana Hochman. Colleen Conway developed the series for A&E.

Save the Date!

Come visit us at these upcoming events



41st Annual National Council Mental Health and Addictions Conference

May 2-4, 2011

Manchester Grand Hyatt, San Diego, CA

Keynote Speaker: President Bill Clinton

ATP Attendees: Rich Willetts & Jennifer Johnston

ATP Booth No.: 611

Click here to learn more. [<http://www.thenationalcouncil.org/cs/conference>]

2011 Annual NAATP (National Association of Addiction Treatment Providers) Conference

May 14-17, 2011

Sheraton Wild Horse Pass, Chandler, AZ

Keynote Speaker: Scott Deming

ATP Attendees: Rich Willetts

ATP Booth No.: 77

Click here to learn more. [<http://www.naatp.org/conferences/annualconference.php>]

NSM Insurance Group to Host NAATP Workshop

Workshop C: Current Insurance Trends & Risk Management

Is your Organization Ready?

Tuesday, May 17

Presenters: Sean Conaboy and Richard Willetts, CPCU, ARM, NSM Insurance Group

Broad changes and developments in our economic, legislative, technological and clinical world continue to have a remarkable impact on the treatment industry. This dynamic and interactive workshop will address these factors and how they create new insurance exposures and liabilities on a changing landscape. New insurance products and risk management programs that can address these risks will be introduced.