

Children with Serious Emotional Disturbance Need Coverage for Medically Necessary Treatment

Testimony to the House Insurance Committee in Support of HB 240 by Rep. Thompson

We urge the Committee to vote favorably on HB 240 so children with serious emotional disturbance enrolled in private group health plans have access to medically necessary treatment – just like children accessing public mental health services.

Serious emotional disturbance is a child-specific term for significant mental illness. It refers to a diagnosable mental, behavioral, or emotional disorder in a child that substantially interferes with or limits the child's role or functioning in their family, school, or community activities.¹ The Texas Health and Human Services Commission estimates over 500,000 children and youth under age 18 have a serious emotional disturbance.²

Among children with mental health concerns, those with serious emotional disturbance are at the highest risk for a range of troubling short and long term outcomes.³

Reports on children with serious emotional disturbance indicate:⁴

- More than 1 in 5 miss school frequently.
- Nearly half had been suspended or expelled from school.
- Many don't finish high school.
- College enrollment and completion are low.
- They are at increased risk for homelessness.
- They are at high risk for suicide.

Children with serious emotional disturbance are disproportionately represented in public systems that often serve as "systems of last resort" – the child welfare and juvenile justice systems. Some families feel they have

¹ Federal Register, Vol. 58, No. 96, pages 29422-29425;

² Texas Statewide Behavioral Health Strategic Plan (2017-2021)

³ Nathaniel J. Williams, Lysandra Scott, and Gregory A. Aarons (2018) "Prevalence of Serious Emotional Disturbance Among U.S. Children: A Meta-Analysis." *Psychiatric Services* 69:1, 32-40

⁴ Interdepartmental Serious Mental Illness Coordinating Committee (ISMICC) [2017 Report to Congress](#)

no other option but to either relinquish parental responsibility to the state or have their child arrested in order for their child to access the mental treatment they need.^{5,6} Factors involved in these situations are complex, however, **limitations in private insurance have been found to contribute to the number of children placed in child welfare and juvenile justice systems to obtain mental health services.**⁷

- In FY17, 189 Texas children entered foster care solely due to a lack of mental health services.⁸
- In FY20, 60 percent of Texas youth entering state juvenile justice facilities had moderate to severe mental health issues as compared to an estimated range of 10 to 20 percent of youth in the general population.⁹

Negative outcomes for children with serious emotional disturbance are not inevitable.

Access to early treatment is a key part of the solution. It is critical that problems be identified early and that children and youth have access to a range of services. However, only about 50% of children with serious emotional disturbance receive any mental health treatment within a one-year period.¹⁰ Children who receive a range of evidence-based services have demonstrated significant improvements in mental, social, and emotional functioning.¹¹

The Texas public mental health system is doing its part. Medicaid, CHIP, local mental health authorities (LMHAs), and state hospitals cover services for serious emotional disturbance. In fact, children's eligibility for public mental health services in Texas is determined using serious emotional disturbance criteria.

Families with private insurance coverage have more difficulties in accessing mental health care for their children.¹² Texas law requires group insurance plans to cover serious mental illness on par with physical health benefits, however, the Texas Insurance Code's definition of serious mental illness is narrowly applicable to children.¹³ **Without child-specific provisions in the Texas Insurance Code, mental health coverage requirements and parity protections provided to adults enrolled in private group insurance plans are not extended to children with serious emotional disturbance.**

⁵ U.S. General Accounting Office. (2003). Child Welfare And Juvenile Justice: Federal Agencies Could Play a Stronger Role in Helping States Reduce the Number of Children Placed Solely to Obtain Mental Health Services. <http://www.gao.gov/new.items/d03397.pdf>

⁶ Faulkner, M., Gerlach, B., Marra, L., Gomez, R. & Schwab, J. (2014). SB 44 Needs Assessment: Examining the relinquishment of children with serious emotional disturbance. The University of Texas at Austin, Child and Family Research Institute.

⁷ U.S. General Accounting Office. (2003). Child Welfare and Juvenile Justice: Federal Agencies Could Play a Stronger Role in Helping States Reduce the Number of Children Placed Solely to Obtain Mental Health Services. <http://www.gao.gov/new.items/d03397.pdf>

⁸ Texas Department of Family and Protective Services. (2018) [Senate Bill 1889 Legislative Report](#)

⁹ Texas Juvenile Justice Department 2022-2023 Legislative Appropriations Request.

¹⁰ Costello EJ, Egger H, Angold A. "10-year research update review: the epidemiology of child and adolescent psychiatric disorders: I. methods and public health burden." *Journal of the American Academy of Child and Adolescent Psychiatry* 44:972-986, 2005

¹¹ Substance Abuse and Mental Health Services Administration (2017) The Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances Program: 2017 Report to Congress.

¹² Busch, S., and C. Barry. (2009) "Does Private Insurance Adequately Protect Families of Children With Mental Health Disorders?" *Pediatrics* Vol. 124 December 2009, pp. S399-S406.

¹³ Texas Insurance Code Chapter 1355.