

# Prozac: Hazard to Your Health Insurance

*By Debora Vrana  
From MSN Money*

*Last updated September 2, 2008*

*Web Reference:*

<http://articles.moneycentral.msn.com/Insurance/InsureYourHealth/ProzacHazardToYourHealthInsurance.aspx?page=1>

## ***A visit or two to a counselor, a short spell on antidepressants or even a prescription for hay fever can make you an insurance untouchable.***

Concerned that ugly family fights were upsetting his young children, a Boston-area lawyer went to a therapist and let his health insurance pick up part of the tab. When the lawyer later decided to apply for more insurance, he was denied coverage specifically because he had the counseling visits on his record. Sure, you can get the help you need to handle depression, anxiety or even something as common as hay fever. But should you ever need to buy an individual health policy, you're likely to find that insurers consider you high-risk or even untouchable. You're likely to pay more for a life or disability policy as well, and perhaps be denied a security clearance. "To protect my patients' privacy, I no longer submit insurance claims for my services," said the man's therapist, Dr. Peter Gumpert, who now accepts only patients who can pay out of pocket. "The moment I give them a label, it can follow them for their entire life. I really worry about that," he said. "This whole thing has a chilling effect on people getting the help they need."

## **Health Insurance on Your Own**

Based on your medical history, individual health insurers may deny you coverage -- or put you in such a high-risk category that it makes health coverage too expensive, according to Karen Pollitz, a Georgetown University researcher who co-authored a 2001 study on the individual health-insurance market for the Kaiser Family Foundation. In her study, Pollitz found that roughly 90% of applicants in less-than-perfect health were unable to buy individual policies at standard rates, while 37% were rejected outright.

"It's very, very hard to get coverage now" in the individual health-care market, said Pollitz, who said underwriting standards have only tightened since her study.

Even counseling for grief or a sleeping or eating disorder can make someone ineligible, she said. So can being on medications for hay fever or acne, because insurers consider you a high user of medications, she said.

"Allegra will get you every time," said Pollitz. "They may deny you; they may increase your deductible or give you a policy with no drug card."

## **It's All About Risk -- Theirs**

Insurers make money by avoiding the risk of paying high claims. The sickest 1% of their policyholders can make up 40% or more of claims. "Insurers will look at your past

medical history, ongoing, any pre-existing medical conditions, all to determine a sense of what that consumer's future risk might be," said Larry Akey, spokesman for [America's Health Insurance Plans](#), a trade group representing most of the largest insurers. Current medications and all health-care treatments are considered by the insurance industry, especially in the market for individual health care. The majority of Americans get insurance through their employers, who pay a large portion of the monthly premium. Large groups of diverse workers help offset the risk for insurers.

The individual market is much more risky for insurers, however, because the individual pays the premium and there is not a diverse pool of people. The market for non-group insurance (those not covered by an employer or the government) is a small one in the U.S., with less than 10% of the population under 65 covered by such a policy.

But a lot of very ordinary circumstances can force someone into this market, including:

- Becoming self-employed.
- No longer qualifying as a dependent on a parent's plan
- Getting a job that doesn't offer health insurance.
- Coming to the end of your health benefits under COBRA, the federal health-insurance safety net for someone leaving a job.

## **Who Needs Help?**

A 2005 Harvard survey found that most Americans have the symptoms for one or more mental-health disorders at some time in their life, but most cases are mild.

The findings:

- Anxiety disorders, experienced by nearly 29% of Americans during their lifetime, are the most-prevalent class of mental illness.
- Mood disorders are experienced by 20.8% of Americans.
- Impulse-control disorders are experienced by 24.8% of Americans.
- Substance disorders are seen in 14.6% of Americans.

Only 41% of patients with disorders lasting 12 months sought treatment, the study found. In 2005, 357 million new prescriptions were written for psychotherapeutic drugs such as Ativan, Klonopin, Paxil, Prozac, Serzone, Zoloft, Xanax and Wellbutrin, a major increase from the 168.4 million new prescriptions that were written just three years earlier, according to [Wolters Kluwer Health](#), a New Jersey data company. In addition, more and more children are taking such medication, according to a 2006 study in the journal *Ambulatory Pediatrics*. In 1995, of children younger than 13, only 8.6 of 1,000 were on anti-psychotic drugs. By 2002, it had risen to 40 out of 1,000.

Among the public, the stigma about seeking therapy has lessened, said Carolyn Rabinowitz, president of the [American Psychiatric Association](#), in part because of the willingness of famous actors, celebrities and athletes to publicly admit they have been treated for depression, postpartum depression or anxiety. Also, more and more people know someone treated for a mental-health disorder who got well or improved, she said.

That hasn't made getting an individual insurance policy any easier, though.

"Anything they can do to exclude payment, they do. Their business is to not pay money," said Rabinowitz. "It's gotten worse, and it's a real problem for people," agreed Bill MacGillivray, president of the [National Coalition of Mental Health Professionals and Consumers](#). "If you seek care, you are seen as damaged by the insurance industry."

## **There's Nowhere to Go**

In the arcane market for individual coverage, very few consumers seeking such insurance have protection under federal law. In roughly a dozen states, including Arizona, California and Delaware, the Health Insurance Portability and Accountability Act ([HIPAA](#)) requires insurers to sell you a health-insurance policy without coverage limits, if you have had at least 18 months of continuous coverage and are moving from a group policy to an individual policy. However, HIPAA does not limit what can be charged.

Premiums can jump to double, triple or even 10 times higher than the average amount, said Pollitz. Insurers do not disclose their underwriting guidelines, and insurers interpret diagnoses in different ways. For the most part, there is little rate regulation, with only five states -- Vermont, New York, Maine, New Hampshire and New Jersey -- guaranteeing access to the individual market at community-rated premiums not based on health status.

## **Protecting Privacy**

A survey on medical privacy, released in November 2005 by the [California Healthcare Foundation](#), found that 13% of American adults say they have done something "to protect the privacy" of their medical history. Younger respondents, those under 45, were more likely to have engaged in privacy-protective behaviors. Those include:

- Paying out of pocket to avoid submitting a claim.
- Not seeking care, such as diagnostic tests, to avoid disclosure.
- Asking their doctor not to write down a health problem or to record a less-serious condition.
- Giving inaccurate or incomplete information on a medical form.
- Asking therapists not to take notes or to see a patient under an assumed name.

"People should not have to sacrifice their health in order to shield themselves from job discrimination and loss of health benefits," said Janlori Goldman, a researcher at Columbia University's College of Physicians and Surgeons. Still, many people are "fearful that their medical information will be used against them," she said.

There's good reason for such fears. Insurers share information through organizations such as MIB, a Massachusetts association of insurers that gathers health and other information on consumers, almost like a credit report. MIB compiles information on those who have applied for insurance in the individual market, such as for life, disability or health coverage. That information is coded and shared with member insurance groups who receive new applications. A consumer is notified about MIB on the application.

(Consumers can request their [free report on the MIB site](#).) "An insurer's goal is to understand the consumer they are underwriting and properly gauge the risk. Otherwise, they would be insolvent," said David Aronson, spokesman for MIB, a not-for-profit group.

If you are looking for coverage in the individual market, be prepared for scrutiny. Health-care applicants are asked to fill out detailed, multipage questionnaires about their health care. One of the first questions is usually whether you have diabetes, Pollitz said. After they receive the application, insurers turn to information gatherers such as MIB and other sources to double-check what an applicant has disclosed.

## **So Now You Need Insurance**

Lying on your health-insurance application form is never a good idea. It's considered insurance fraud and the insurer can cancel your policy (just when you might need it) if you are caught. As more and more data is warehoused electronically, it is easier for insurers to share information about you. What you can do:

- Answer the questions to the best of your ability and be truthful.
- Hire an experienced health-insurance broker who knows the underwriting criteria of several individual insurers.
- After an appointment with a therapist, look at the number on the claim form you receive from the therapist. Ask what your diagnosis is, so you can best know how to proceed.
- If you are denied, ask your doctor to write a letter supporting your re-application, especially if you are no longer in counseling or no longer taking a prescription drug that got you denied.

To learn more about protections for individual health insurance offered by your state, go to Georgetown University's [Health Privacy Project](#).

*Updated Sept. 2, 2008*