

TAKING ISSUE

The Economic Value of Treatment for Depression

Insurance coverage for the treatment of mental disorders has always been less generous than coverage for other medical and surgical conditions. The existence of public hospitals and clinics financed by tax dollars is one important reason why private employers have been unwilling to pick up the costs of catastrophic mental illness. Many employers feel that someone who suffers from a serious and persistent mental illness is unlikely to continue to work, and that they can avoid the financial responsibility for expensive treatment by shifting that person to the public sector.

Underlying this feeling is the view that treatment is not effective in maintaining a productive work force. The stigma surrounding mental illness and its treatment reinforces this notion of incurability and high cost.

Paradoxically, the opposite concern—that employees and their dependents might inappropriately use psychiatric insurance—has also supported prejudice against psychiatric benefits. The Woody Allen stereotype of the complaining, whining patient implies that mental conditions are so trivial that appropriate diagnosis and specialty treatment should not be adequately paid for.

Employers who have improved insurance benefits for mental disorders have also become concerned about “adverse selection”—that individuals and families at higher risk for mental disorders will create financial drain on their system while their competitors shed those risks through strict “inside limits” on benefits, such as higher copayments and deductibles, fewer allowable visits and inpatient days, and annual and lifetime limits. The quest for “parity” of mental health with other benefits has been a historic struggle to overcome these barriers to nondiscriminatory coverage. Managed care has substituted utilization review for arbitrary benefit limits as yet another way to ration treatment.

Now we have growing evidence of the economic benefits of effective and appropriate psychiatric treatment. In this issue Zhang and associates demonstrate the value of treatment for depression through the relatively simple measure of lost work days. Treatment literally pays for itself; that is, employers get back what they spend for treatment. Although reduced absenteeism is often not a direct goal of treatment, it is a critical factor for any business in improving productivity and efficiency. For the depressed person, better functioning in the family, decreased morbidity from other medical conditions, and increased work productivity are other benefits of relief from the real pain and suffering of a depressive disorder. Treatment works. Every business, large and small, should take note of the value of treatment for depressive disorders.—STEVEN S. SHARFSTEIN, M.D., *president and medical director, Sheppard Pratt Health System, Baltimore, and vice-chairman, department of psychiatry, University of Maryland*

Psychiatric Services (formerly *Hospital and Community Psychiatry [H&CP]*) was established in 1950 by Daniel Blain, M.D. It is published monthly by the American Psychiatric Association for mental health professionals and others concerned with treatment and services for persons with mental illnesses and mental disabilities, in keeping with APA's objectives to improve care and treatment, to promote research and professional education in psychiatric and related fields, and to advance the standards of all psychiatric services and facilities.

Editor

John A. Talbott, M.D.

Editorial Board

Francine Cournos, M.D.
Lisa B. Dixon, M.D., M.P.H.
Robert E. Drake, M.D.
Richard A. Fields, M.D.
Jeffrey L. Geller, M.D., M.P.H.
Howard H. Goldman, M.D., Ph.D.
H. Richard Lamb, M.D.
Mark Olfson, M.D., M.P.H.
Betty Pfefferbaum, M.D., J.D.
Robert A. Rosenheck, M.D.
Sally L. Satel, M.D.
George M. Simpson, M.D.

Interdisciplinary Advisory Board

Suzanne Dworak-Peck, A.C.S.W.
Susan B. Fine, M.A., O.T.R.
Laurie M. Flynn
Marcia Miller, M.L.S.
Frances Palmer, M.S., O.T.R./L.
Stuart B. Silver, M.D.
Gail W. Stuart, Ph.D., R.N.
Gary R. VandenBos, Ph.D.

Book Review Editor

Jeffrey L. Geller, M.D., M.P.H.

Contributing Editors

Ian Alger, M.D., *Audiovisual Overview*
Paul S. Appelbaum, M.D., *Law & Psychiatry*
Leona L. Bachrach, Ph.D., *The Chronic Patient*
Richard Frances, M.D., *Alcohol & Drug Abuse*
Jeffrey L. Geller, M.D., M.P.H., *Personal Accounts*
William M. Glazer, M.D., *Best Practices*
Howard H. Goldman, M.D., Ph.D., and Colette Croze, M.S.W., *State Health Care Reform*
Marion Z. Goldstein, M.D., *Practical Geriatrics*
John H. Greist, M.D., *Clinical Computing*
Douglas H. Hughes, M.D., *Emergency Psychiatry*
Alex Kopelowicz, M.D., and Robert Paul Liberman, M.D., *Rehab Rounds*
Harold Alan Pincus, M.D., and Terri L. Tanielian, M.A., *Datapoints*
James E. Sabin, M.D., *Managed Care*
Steven S. Sharfstein, M.D., *Economic Grand Rounds*
George M. Simpson, M.D., *Psychopharmacology*

Editorial Consultants

Leona L. Bachrach, Ph.D.
John O. Lipkin, M.D.
Theodore W. Lorei, M.S.W.

Cover Art Consultant

Sally Webster, Ph.D., New York City

Editorial Staff

Teddy Clayton, *Managing Editor*
Betty Cochran, *Assistant Managing Editor*
Joanne Wagner, *Senior Editor*
Constance Grant Gartner, *Associate Editor*
Wendy Lieberman Taylor, *Production Editor*
Joyce S. Ailstock, *Administrative Assistant*
Carolyn Ellison, *Editorial Secretary*

American Psychiatric Association

Allan Tasman, M.D., *President*
Daniel B. Borenstein, M.D., *President-Elect*
Richard K. Harding, M.D., *Vice-President*
Paul S. Appelbaum, M.D., *Vice-President*
Michelle B. Riba, M.D., *Secretary*
Maria T. Lymberis, M.D., *Treasurer*
Alfred Herzog, M.D., *Speaker, APA Assembly*
Steven M. Mirin, M.D., *Medical Director*