MENTAL HEALTH PARITY

Sanjot Singh
Intern
Office of Health Equity
California Department of Public Health
IHF1.2 “Explore health and mental health equity implications of the Affordable Care Act (ACA) as they relate to access, expanded coverage, and community-based prevention strategies.”

-Portrait of Promise: The California Statewide Plan to Promote Health and Mental Health Equity
Questions to Explore

• How is parity coverage working out for the people of California?
• Do they know they have this right?
• Are they accessing it to the fullest degree needed?
• From where are they receiving their information about parity?
• Are the health plans appropriately complying?
• Are the current laws protecting those who are facing the most vulnerable conditions?
What is mental health parity?

• Mental health parity means that a health plan must provide equal coverage for mental health and physical health. This is the vision. But is there still room for improvement?

• There are two mental health parity laws that apply to Californians, a federal parity law and a state parity law.
  • Under federal law, anyone who is a citizen and has health insurance is entitled to mental health parity.
Mental Health Parity and Addiction Equity Act (MHPAEA): A Federal Law

- “Requires all mental health (MH)/substance use disorder (SUD) benefits that are covered to be offered in **parity** with medical/surgical benefits.”

- What are the elements of federal parity?
  - Quantitative Treatment Limitations: day, visit limits
  - Non-quantitative Treatment Limits: e.g. prior authorization, provider credentialing requirements
  - Financial Requirements: enrollee cost-sharing
Cost Sharing

• Financial requirements (FRs): The cost-sharing paid by an enrollee to obtain health care treatment under his or her health insurance coverage.

  • Deductibles, out of pocket maximums, co-pays, and co-insurance.

  • FRs are calculated for each classification of benefits: inpatient, outpatient-office visits, outpatient-other, emergency services, Rx.

  • FRs are calculated based on a health plan’s annual estimated claims for medical/surgical benefits in each classification of benefits

  • The result of this complex mathematical formula determines whether cost-sharing applies to mental health and substance use disorder services and the maximum amount that applies.

  • Give consumers control:
    ➢ Educate consumers on how to calculate cost sharing with a cost sharing calculator?
Parity Implementation in California

• MHPAEA applies to California’s commercial coverage and Medi-Cal coverage, which is state regulated. The law also applies to self-insured health plans, which are regulated by the federal Department of Labor. The law does not apply to Medicare and Veterans Administration programs.

• State regulators are currently reviewing commercial coverage for compliance with MHPAEA regulations.
California’s Mental Health Parity Law

- Mandates coverage of severe mental illness of a person of any age and serious emotional disturbances of a child.
  - Severe Mental Illness list can be found at http://www.disabilityrightsca.org/pubs/CM2401.pdf
  - Requires coverage of behavioral health treatment.
  - Requires coverage of California’s essential health benefits (EHB). These EHB include many treatment services for people with mental health or substance use disorders.

- California Mental Health Parity Law along with the Affordable Care Act must be in compliance with the Mental Health Parity and Addiction Equity Act when determining coverage of mental health and substance use disorders.

- Applies to individual coverage and small employer coverage (50+ employees)
Federal Parity Task Force

• President Obama established the Mental Health and Substance Use Disorder Parity Task Force.
  o Federal Departments and Agencies will investigate whether Americans are benefiting from the mental health and substance use disorder parity laws.

• Some of the findings and recommendations as of October 27, 2016:
  o $9.3 million to help enforce parity protections.
  o Website for consumer education, appeals, complaints and other actions.
  o Ensure parity compliance in plans required to offer essential health benefits.
  o One stop web portal to help consumers navigate parity.

• The Final Report can be found here.
  Includes all of the Task Force findings.
Federal Parity Task Force: Violations

• Findings:
  o Cost-sharing is calculated incorrectly.
  o Non-Quantitative treatment limits.
  o Quantitative treatment limits.
  o Not offering benefits in all classifications.

• Recommended Actions:
  o Clarifying Parity Requirements
  o Improving Compliance, Monitoring, and Enforcement
  o Education and Awareness

• Contact local advocacy agency or healthcare service plan for more information regarding coverage.
How are the parity laws enforced?

- Agencies regulating the plans are responsible.

  - **California Department of Managed Health Care**: The California Department of Managed Health Care protects consumers’ health care rights and ensures a stable health care delivery system.

  - **California Department of Insurance**: Overseeing insurer solvency, licensing agents and brokers, conducting market reviews, resolving consumer complaints, and investigating and prosecuting insurance fraud, with an overall goal to protect consumers.

  - **California Labor and Workforce Development Agency**: The Agency oversees seven major departments, boards and panels that serve California businesses and workers.
• Current covered target population: Individuals with health coverage who are residents of California and seek mental health parity.

• Are there other populations with mental health and/or substance use disorders and have unmet treatment needs?

• Are there recommendations for how the state can meet these treatment needs?
Resources

- DMHC Help Center: 1-888-466-2219

- Disability Rights California: 1-800-776-5746

- Mental Health Advocacy Services: (213) 389-2077

- Local Health Care Service Provider
References


