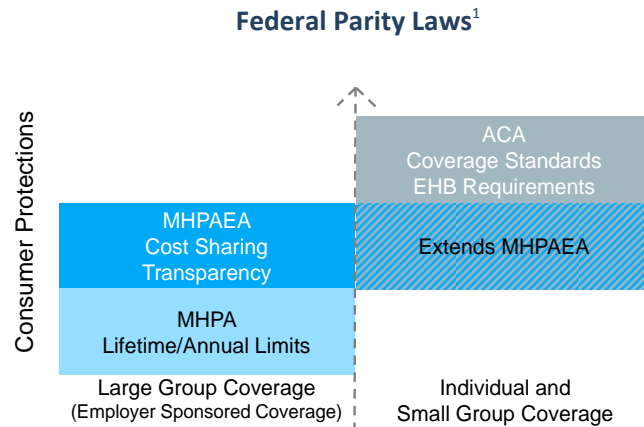


## Mental Health Parity: What do Health Insurance Consumers Say?

Health insurers have historically covered mental health and substance use treatment less favorably than medical or surgical care. Mental health benefits, if they were offered at all, were often more limited, with higher cost sharing requirements and greater administrative hurdles. Two recent federal laws address these problems, yet much work remains to achieve true parity.

### The Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA)

originally applied to employer sponsored health plans with more than 50 employees, including self-insured and fully insured plans.<sup>2</sup> The law does not require insurers to cover mental health and substance use treatment, but if these benefits are included, coverage must be no more limited than medical and surgical benefits.<sup>3</sup>



**The Patient Protection and Affordable Care Act of 2010 (ACA)** extended MHPAEA requirements to include individual and small group plans. Mental health and substance use disorders were specifically included among the ten Essential Health Benefits (EHBs) that must be included in all plans offered in state or federally facilitated exchanges or marketplaces.

### What do Health Insurance Consumers Say?

To assess consumer experience of coverage for mental health and substance use care, the National Alliance on Mental Illness (NAMI) produced *A Long Road Ahead – Achieving True Parity in Mental Health and Substance Use Care*. [insert link] The report is based on a survey of 2,720 consumers and an analysis of 84 insurance plans in 15 states.

#### Findings:

1. Consumers and families had a great deal of trouble finding mental health providers in their health plan networks.
2. Denials for mental health care were far higher than for other types of medical care.
3. Health plan coverage of psychiatric medications was inadequate.
4. Even when covered, out of pocket costs for medications posed barriers to care.
5. Out of pocket costs were more onerous for mental health care than comparable medical specialty care.
6. When selecting plans available through the health insurance marketplaces, consumers did not have enough information to make informed decisions.

### State Recommendations:

- **States should strictly enforce MHPAEA and state parity laws.** State insurance commissioners should monitor and enforce non-compliance by insurance carriers. They should work with consumer and family organizations and other stakeholders to develop user-friendly mechanisms to report parity complaints.
- **Insurers should be required to publish correct, up to date lists of their mental health provider networks.** State insurance commissioners should require insurers to maintain and publish up-to-date, accurate and plan-specific directories, including information on which providers are currently accepting new patients. The National Association of Insurance Commissioners (NAIC) is developing model state legislation to address network adequacy.
- **States should require all health plans to provide detailed, clear, accessible information on benefits.** Detailed plan documents should include all information necessary to make informed purchasing decisions about coverage. This information should facilitate cross plan comparison and be easily accessible to consumers prior to enrollment.

### Federal and State Recommendation:

- **Congress, the federal administration and state insurance authorities must work together to decrease out of pocket costs for low-income consumers.** When added to monthly premiums, out of pocket costs such as deductibles copayments and coinsurance can be so high that consumers are forced to forego needed mental health or medical-surgical care. Without attention to overall cost sharing by consumers, the goals of increasing access to care may be frustrated.

### Federal Recommendations:

- **Federal agencies should strictly enforce MHPAEA.** The Department of Labor and the Department of Health and Human Services, Center for Medicare and Medicaid Services (CMS) should actively work together to monitor consumer complaints for patterns of non-compliance with MHPAEA. These agencies should develop a collaborative mechanism to ensure enforcement.
- **Federal agencies should develop guidance for health plans on appropriate clinical criteria to approve or deny care.** Guidance on medical necessity and utilization management should be issued by the Substance Abuse and Mental Health Services Administration (SAMHSA) in collaboration with the National Institute of Mental Health (NIMH) and the Assistant Secretary for Planning and Evaluation (ASPE). Health plans should be required to publish the criteria used to approve or deny care.
- **HHS should require all health plans to provide consumers with clear, easily accessible information about benefits prior to enrollment.** Detailed plan documents should be required to use a standard format and include all information necessary to enable consumers to compare plans to facilitate informed decision-making about coverage.

<sup>1</sup> Chart prepared by Avalere Health, 11/18/2014.

<sup>2</sup> U.S. Department of Labor, "The Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA)," <http://www.dol.gov/ebsa/newsroom/fsmhpaea.html>, accessed 3/19/2015.

<sup>3</sup> J. Dalrymple, "Mental Health Services Access – Are We Ready for the Tide," American Bar Association, [http://www.americanbar.org/publications/aba\\_health\\_resource/2014-2015/october/mentalhealth.html](http://www.americanbar.org/publications/aba_health_resource/2014-2015/october/mentalhealth.html), accessed 3/19/2015.