Mental Health Parity and Addiction Equity Act (MHPAEA)

A joint effort of Medicaid & the Office of Behavioral Health
Presentation Overview

- Mental Health Parity Definition & Application
- Overview of State Parity Work & Requirements
- Compliance and Monitoring
Federal Parity Legislation

MENTAL HEALTH PARITY AND ADDICTION EQUITY ACT (MHPAEA)

- Requires equal treatment of behavioral health conditions to physical health conditions by generally preventing group health plans and health insurance issuers that provide mental health or substance use disorder (MH/SUD) benefits from imposing less favorable benefit limitations on those benefits than on medical/surgical benefits.

- Although benefits may differ across population groups or plans, parity requires that the processes related to benefit determinations be comparable.

- 42 CFR Parts 438, 440, 456, and 457

- Parity analysis is conducted in 4 classifications:
  - Inpatient
  - Outpatient
  - Emergency Care
  - Prescription Drugs

Why does parity matter?

Almost one in five American adults will experience a diagnosable mental health condition this year.

More than half of all Americans know someone in recovery from a substance use problem.

Parity requires insurers to provide comparable coverage for mental health, substance use disorder, and physical health care so people can get the treatment they need.

Source: Substance Abuse and Mental Health Services Administration.

#parity hhs.gov/parity
Mental Health Parity

Overview of State Parity Work and Requirements

The ‘NOTS’ of Parity

- MH/SUD coverage is NOT MANDATED under MHPAEA.
- This is NOT a benefit to benefit comparison.
- This is NOT just an analysis of mental health and substance use disorder benefits.
- It’s not just an analysis of MCOs benefits, but of all state services including services provided by the state on a FFS basis.
Treatment Limitations & Financial Requirements

► Quantitative Treatment Limitations (QTLs): Limits on benefits based on the frequency of treatment
  ▪ Number of visits
  ▪ Days of coverage
  ▪ Days in a waiting period, or
  ▪ Other similar limits on the scope or duration of treatment

► Non-Quantitative Treatment Limitations (NQTLs): No “hard limits” but these limit the ability of a person to receive a certain service or level of services
  ▪ Prior Authorization Processes
  ▪ Concurrent Review
  ▪ “Fail First” Policies

► Financial Requirements
  ▪ Deductibles
  ▪ Co-payments
  ▪ Co-insurance
  ▪ Out of pocket maximums

► Aggregate lifetime or annual dollar limits are not considered financial requirements but are dealt with separately in the final rule
Analyzing Non-Quantitative Treatment Limitations (NQTLs)

A non-quantitative treatment limitation is a limit on the scope or duration of benefits such as PA or network admission. Soft limits, or benefit limits that allow for an individual to exceed numerical limits for M/S or MH/SUD benefits on the basis of Medicaid Necessity also are NQTLs.

Analyze “as written or in operation”

Requires a review of process, strategies, evidentiary standards or other factors used in applying the NQTL to make sure MH/SUD is comparable and applied no more stringently than M/S. The NQTL analysis is conducted by classification – it does not require a one-to-one comparison of a MH/SUD service to a M/S service.

State will review utilization, network, pharmacy and clinical NQTLs.

To put it simply, there should not be an arbitrary or discriminatory difference in how the state/MCO apply NQTLs to M/S as compared to MH/SUD.
What if we are NOT in compliance?

- Depending on the nature of the inequity, Louisiana may need to:
  - direct MCO to change policies/procedures
  - add benefits or adjust treatment limits in the benefit package and adjust capitation rates as necessary
  - amend state plan so benefit package complies with parity

- Not all inequities must be fixed
  - Sometimes there is justification for differences
  - This must be documented
Ongoing Monitoring

- This will after LDH’s initial compliance plan and continue indefinitely.
- LDH will take a comprehensive, multi-pronged approach
- General components of reviews for compliance:
  - form reviews,
  - MCO surveys,
  - consumer complaints,
  - review during changes of authority documents
LDH Parity Website:
http://ldh.louisiana.gov/index.cfm/page/2809
Questions?

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