

Mental Health & Addiction Parity

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The Issue

- President George W. Bush signed the Mental Health Parity and Addiction Equity Act into law on October 3, 2008 (federal parity law)
- Was designed to make insurance coverage for mental health and addiction no more restrictive than insurance coverage for other medical conditions
- Concept very simple, law itself extraordinarily complex
- States have jurisdiction over individual and group policies sold by insurers

Problems

- State and federal regulators consistently find non-compliance with insurers' managed care practices
 - Prior authorization and other utilization controls
 - Provider network design and maintenance
 - Medication access
 - Many others
- Insurers struggle because of how complicated the law is, not because of intentional non-compliance

Solutions

- In November of 2017, President Trump's Opioid Commission recommended that states collect information from insurers about their managed care practices
 - Term used in federal parity law is “non-quantitative treatment limitations”
- Since beginning of 2018, 13 states have passed legislation requiring this:
 - AZ, CO, CT, DC, DE, IL, IN, MD, NJ, OK, PA, TN, WV

Purpose of Legislation

- Not about new coverage but about ensuring compliance with existing law
- Requires insurers to submit comparative analyses about how they design and apply managed care practices
- This should not be difficult for insurers because the federal parity law is a comparative law
 - Insurers couldn't know if they comply without doing comparative analyses

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