BR 61: Mental Health Parity – Rep. Moser, Frazier, Banta

KEY POINTS

- There is no health care without mental health care, but unfortunately mental health and substance use conditions are often treated differently than other health conditions by insurers.
- This causes harm – many people still go years without care and do not have access to the full range of effective treatment options – and disparities are worsening by the day.
- BR 61 would strengthen Kentucky's implementation of the Federal Mental Health Parity and Addiction Equity Act.
- It would require that medical necessity criteria, nonquantitative treatment limitations, evidentiary standards, and any other processes or requirements imposed by insurers to be no greater for mental health and substance use conditations than those imposed for physical conditions.
- It would require insurers to submit annual reports to DOI detailing their level of compliance with the Federal mandate.

BACKGROUND

Parity means insurance coverage for mental health and addiction care should be no more restrictive than insurance coverage for any other medical condition. The Mental Health Parity and Addiction Equity Act was signed into law on October 3, 2008, but has been considered both complex and challenging to implement.

In 2000, Kentucky took a historic first step in passing HB 268 which created a new section in KRS 304.17A to provide treatment for mental health conditions at the same level as treatment for physical health condition in health benefit plans. Parity for mental health and substance use disorder was later bolstered in 2015 via SB 192 by mandating DMS to provide a substance use disorder benefit consistent with federal laws and regulations which include a broad array of treatment options for those with substance use disorder and opioid use disorder.

ACCOUNTABILITY MATTERS

Reports indicate that **insurers are not complying** with some of the more complicated components of the law. Many of these trouble spots relate to **how insurers design and apply their managed care practices**, such as prior authorization requirements, medical necessity standards, and requirements for providers to join an insurer's network.

States have primary enforcement authority over insurers that sell health insurance policies in their states. President Trump's Opioid Commission recommended (pg. 72) that states use a standardized format to **collect information from insurers** that shows their compliance with the law as it relates to their managed care practices.

This legislation implements that recommendation and requires that insurers demonstrate compliance in terms of how they design and apply their managed care practices. Tennessee was the first state to codify this approach in 2018 and other states including Arizona, Colorado, Connecticut, Delaware, Illinois, Indiana, Maryland, New Jersey, Oklahoma, Pennsylvania, West Virginia and the District of Columbia have passed the measure.

ELIMINATE BARRIERS

Even before the COVID-19 pandemic, incidence and prevalence rates of mental health and substance use disorders were increasing. There is an average delay of 11 years between the onset of mental illness symptoms and the time most people access treatment. Recent reports reveal there are worsening disparities in access to services for mental illness and addiction, including reimbursement rates, out-of-network use and spending. Every day, 6 people in Kentucky die from drug overdoses and suicides. Many of these individuals were unable to access the mental health and addiction treatment that could have saved their lives.

Kentuckians deserve better and we must do better. This legislation is designed to fully implement the Federal Parity Law, which will ensure that mental health and addiction care are covered at the same level as care for other health conditions.

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