

# Mental Health Parity: Presentation to the Santa Clara County Mental Health Board

Presented by:  
**Mental Health  
Advocacy Project**

**EACH  
MIND  
MATTERS**  
California's Mental  
Health Movement



## What is parity?

Examples:

1. Cannot have a \$15 copay for outpatient medical visit and \$20 copay for outpatient mental health visit.
2. Cannot have 21 inpatient days for mental health care and 30 days for inpatient physical health care.
3. Cannot require prior authorization for mental health services and not for medical / surgical services.



# Parity Means Equality

## Mental health parity laws:

- created in response to unequal coverage and discrimination
- require health insurance plans to provide equal coverage for physical and mental health (including substance abuse disorders)



## Moving Towards Parity

1996:  
Congress  
passed 1<sup>st</sup>  
federal parity  
law

1999:  
CA passed  
Mental Health  
Parity Act

2008:  
Congress  
passed Mental  
Health Parity  
and Addiction  
Equity Act  
(MHPAEA)

2010:  
Affordable Care  
Act extended  
MHPAEA to  
more health  
plans





## CALIFORNIA PARITY LAW



## California Mental Health Parity Act

### Applies to:

#### *Types of plans:*

- health plans that are regulated by the state
- Individual and small group plans
- “Fully Insured” large group plans)
- Plans offered on Covered California

#### *Groups of people:*

- adults who have “severe mental illnesses”
- children who have “severe emotional disturbances”

### Does not apply to:

#### *Types of plans:*

- “self-funded” plans (many large employers and unions offer these type of plans)
- Medicare
- Medi-Cal
- Veterans Administration health plans
- Other Federal health plans



# California Mental Health Parity Act

## Covered conditions (for adults):

- Major depression
- Bipolar disorder
- Schizophrenia
- Schizoaffective disorder
- Anorexia
- Bulimia
- Panic disorder
- Obsessive-compulsive disorder
- Autism or pervasive developmental disorder



# California Mental Health Parity Act

All “medically necessary” treatment for the listed “severe mental illnesses” must be covered under the same terms applied to physical illnesses.

## Coverage must be equal in terms of:

- Maximum lifetime benefits
- Copayments
- Deductibles

## Coverage includes:

- Outpatient services
- Inpatient services
- Partial hospital services
- Prescription drugs\* (\*if the plan covers any prescription drugs)





## FEDERAL PARITY LAW



## MHPAEA

MHPAEA=Mental Health Parity and Addiction Equity Act (2008)

### Applies to:

*Types of plans:*

- employer-based plans (with more than 50 members)
- Plans offered on the insurance exchanges
- all individual plans
- most small group plans
- Medi-Cal Managed Care Plans
- Affordable Care Act Medi-Cal expansion

### Does not apply to:

*Types of plans:*

- grandfathered* small group plans (plans from before March 23, 2010)
- Medicare Part A and B
- Veteran's Administration health plans
- Tricare
- Fee-for-service Medi-Cal



## MHPAEA

If a health plan offers any **mental health** or **substance abuse** benefits, the plan must provide these benefits **at parity** to medical and surgical benefits.

Six categories of benefits (benefits must be equal in each category for physical and mental health):

1. Inpatient; in-network
2. Inpatient; out-of-network
3. Outpatient; in-network
4. Outpatient; out-of-network
5. Emergency care
6. Prescription drugs



## Affordable Care Act (ACA)

ACA creates Essential Health Benefits.

- There are now 10 categories of required health coverage for Qualified Health Plans
- 1 of the 10 categories is "**mental health** and **substance use disorder** services"

ACA expands existing federal parity laws to more types of health plans.

ACA expands appeal rights to more types of health plans.



## ACA Medi-Cal Expansion

Effective 1/1/2014, Medi-Cal expands coverage of Substance Abuse Disorder (SUD) and Mental Health (MH) benefits to all beneficiaries in managed care plans.

- This creates more coverage for people with mild-to-moderate mental disorders
- Provision of specialty mental health services through county mental health remains the same.



## Mental Health Benefits under expanded Medi-Cal

### Medi-Cal Managed Care Plan (MCP)

Examples:

- individual and group mental health evaluation and treatment,
- psychological testing,
- outpatient services for monitoring medication treatment,
- outpatient laboratory, medications, supplies and supplements,
- psychiatric consultation and
- screening and brief intervention.

### County Mental Health Plans (MHP)

Examples:

- intensive day treatment;
- inpatient psychiatric services; and
- day rehab and crisis intervention.



## Substance Use Disorder Benefits under Expanded Medi-Cal

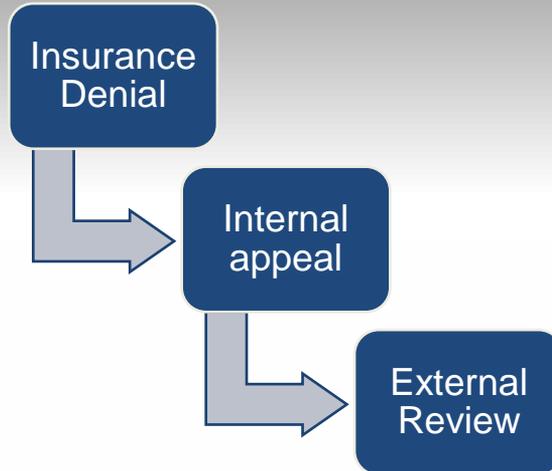
- Voluntary Inpatient Detoxification
- Intensive Outpatient Treatment Services
- Residential Treatment Services
- Outpatient Drug Free Services
- Narcotic Treatment Services



## APPEALS PROCESS



## Appeals Process



## Urgent Health Situations

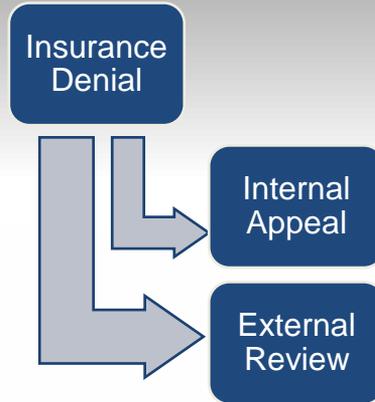
Urgent health situations: A situation where waiting for the standard appeals process could seriously jeopardize your life or your ability to regain maximum function.

You have special rights in urgent situations:

- You can request an internal appeal and external review at the same time
- Much faster timeline (a final decision must be reached as quickly as your medical condition requires—maximum of 4 business days)



## Appeals Process: Urgent Health Situations



## Internal Appeals

-Most health plans have a fairly simple process for submitting an internal appeal (there is usually a form and/or instructions attached to your denial notice)

-There may be 1 or 2 levels of the internal appeal

-During the internal appeal process, your insurance company will review your claim again



## Internal Appeals

### Information to include on your written appeal:

- name
- claim number
- insurance ID number
- your contact information
- your provider's name
- information supporting why the service should be covered



## External Review

An external review or “Independent Medical Review” (IMR) is when doctors who are not part of your health services plan review your case.

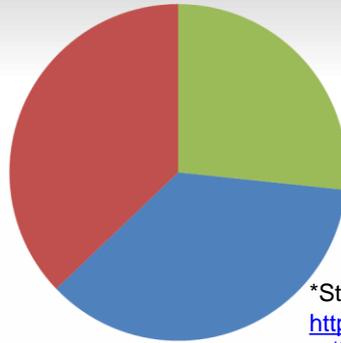
You can apply for an IMR if your Health care services plan denies, changes, or delays a service or treatment because:

- The plan determines it is not medically necessary;
- The plan will not cover an experimental or investigational treatment for a serious medical condition;
- The plan will not pay for emergency or urgent medical services that you have already received.



# External Review Outcomes

## Department of Managed Health Care (DMHC) Independent Medical Review (IMR) 2012 Outcomes (Total: 1558)



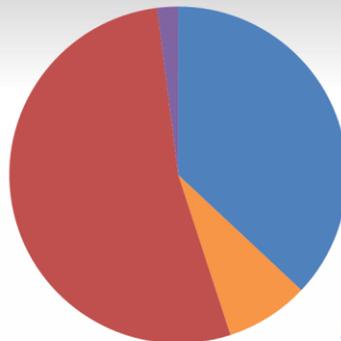
- 28%: Denial overturned before IMR
- 38%: Denial overturned by IMR
- 39%: Denial upheld by IMR

\*Statistics are taken from DMHC's website:  
<http://www.dmhc.ca.gov/library/reports/complaint/2012.pdf>



# External Review Outcomes

## California Department of Insurance (CDI) Independent Medical Review (IMR) 2012 Outcomes (Total: 453)



- 37%: Denial overturned by IMR
- 8%: Denial partially overturned by IMR
- 53%: Denial upheld by IMR
- 2%: Request withdrawn

\*Statistics are taken from CDI's website:  
[https://interactive.web.insurance.ca.gov/IMR/faces/search?\\_af.ctrl-state=z8j9s39ns\\_4](https://interactive.web.insurance.ca.gov/IMR/faces/search?_af.ctrl-state=z8j9s39ns_4)



## Where to get help:



**Mental Health Advocacy Project:**

408-280-2407

1-800-248-6427 X407



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