



# Mental Health Parity and Addictions Equity Act of 2008

## *The Law and Regulations*

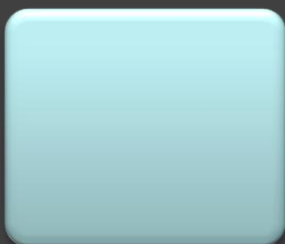
**Dennis O. Romero, MA**  
**Regional Administrator**  
**SAMHSA's Region II (NJ, NY, PR, U.S. VI)**

**Transferring Lessons Learned in the Public Behavioral Health System to the Expanded Options Under ACA**  
**Newark, NJ**  
**November 26, 2013**



# Daily Disaster of Unprevented and Untreated Mental and Substance Use Disorders

Any Mental  
Illness  
45.9 million



39.2 % receiving  
treatment

Substance  
Use Disorder  
21.6 million



10.8 % receiving  
treatment

Diabetes  
25.8 million



84 % receiving  
treatment

Heart  
Disease  
81.1 million



74.6 % receiving  
screenings

Hypertension  
74.5 million



70.4 % receiving  
treatment

# The Law Increases Your Access to Affordable Care

You can get many preventive services for free:

- Cancer screenings such as mammograms & colonoscopies
- Vaccinations such as flu, mumps & measles
- Blood pressure screening
- Cholesterol screening
- Tobacco cessation counseling and interventions
- Birth control
- Depression screening
- And more...

Visit [www.healthcare.gov/prevention](http://www.healthcare.gov/prevention) for a full list.

# Essential Benefits – 10 Service Areas

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- *Mental health and substance use disorder services, including behavioral health treatment*
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care

# The Changing Health Care Environment

- Quality rather than quantity
- Integration rather than silo'd care – parity
- Prevention and wellness rather than illness
- Access to coverage and care rather than significant parts of America uninsured – parity
- Recovery rather than chronicity or disability
- Cost controls through better care

# Understanding Parity . . .

## *Mental health Parity Addictions Equity Act (MHPAEA)*

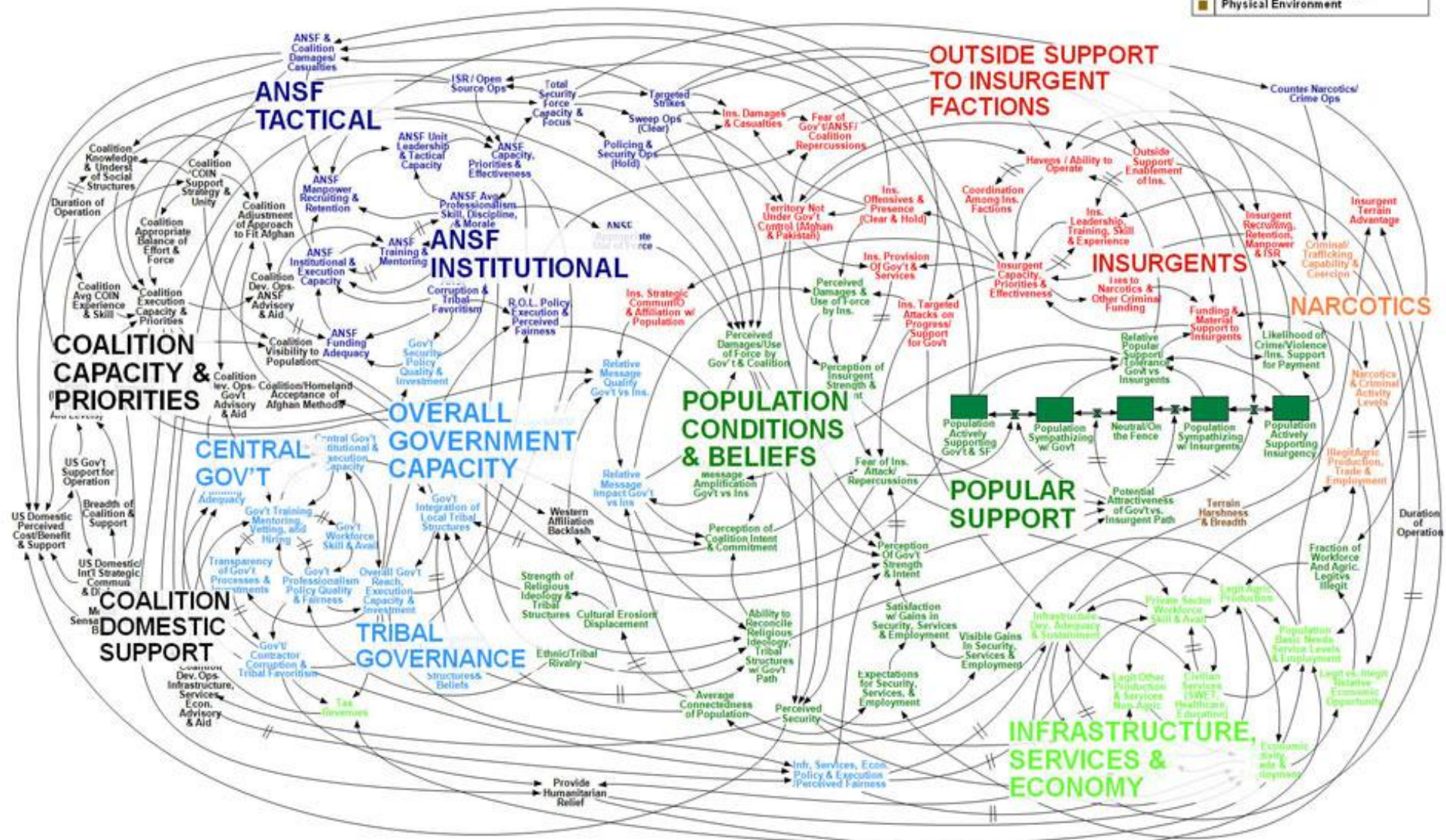
*Touching on the High Points*



# Afghanistan Stability / COIN Dynamics

/// = Significant Delay

- Population/Popular Support
- Infrastructure, Economy, & Services
- Government
- Afghan Security Forces
- Insurgents
- Crime and Narcotics
- Coalition Forces & Actions
- Physical Environment



WORKING DRAFT - V3

# What Are The Key Concepts?



- ✓ Parity – What Is It?
- ✓ Why Does Parity Matter?
- ✓ Who Does The Law/Regulations Cover?
- ✓ How Is Parity Applied?
- ✓ How Are Complaints and Appeals Addressed?



# What Is Parity?

- **Dictionary – equal or equivalent, at symmetry, not favoring one over another, fairly matched**
- **Parity As A Legal Construct:**
  - *A group of State Laws Beginning In the mid 1990s – Over Half of States Have Some Form of Parity Law*
    - **1996 Federal Mental Health Parity Act:**
      - *Prohibit different annual and lifetime dollar limits*
      - *did not extend to substance use*
    - **2008 Medicare Improvements for Patients and Providers Act**
      - *By 1/1/2014 Phases out higher coinsurance for outpatient mental health care*
    - **2008 Federal Mental Health Parity and Addictions Equity Act:**
      - *Effective October 3, 2009*
      - *Regulations Effective As Policies Renew On/After July 1, 2010*
    - **2010 Health Reform Law Expands To Broader Population In 2014**
- **November 8, 2013 – CMS publishes final rules**

# Parity – Why Does It Matter?

## ➤ Historical Discrimination

- ➔ Additional Financial Costs
- ➔ Annual and Lifetime Maximums on Benefits
- ➔ Stricter Management of the Benefit
  - ➔ Medical Necessity
  - ➔ Treatment Limitations

## ➤ Goal Of Parity Law Is To:

- ➔ Increase Access To Treatment
- ➔ Remove Discriminatory Financial Costs
- ➔ More Equal Treatment For These Medical Conditions

# Who Does The Law and Regulations Cover?

- **Employer Based Insurance of Groups Over 50 Lives which choose to offer both a mental health or substance use condition benefit as well as medical/surgical benefits**
  - *111 Million Covered By Private Employer Plans*
  - *29 Million Covered By State and Local Government Plans*
- **Medicaid Managed Care Plans, But Scope Unclear At This Time – 33.4 Million**
- **Union Negotiated Plans and Some Government Plans (not Medicare, VA, Tricare, FEHBP, Medicaid)**
- **Through Health Reform Parity Protections Extended:**
  - *Individuals and Small Group Employer Plans Thru Exchanges – 2014 – 25 Million*
  - *Newly Eligible Medicaid Recipients Thru Benchmark Plans – 2014 – 16 Million*
  - *CHIP Enrollees – 2010 – 40 Million*

# How Is Parity Determined?

## → The Law Stipulates:

- ✓ Covered group health insurance plans that offer both medical/surgical and mental health/ substance use benefits must offer them at parity

## → Parity Is Defined To Include:

- ✓ Financial requirements including deductibles, coinsurance, co-payments, and other cost sharing requirements, as well as annual and lifetime limits on the total amount of coverage.
- ✓ Treatment limitations include restrictions on the number of visits or days of coverage, or
- ✓ Other limits on the duration and scope of treatment.
- ✓ Does Not Preempt Stricter State Laws – Impact on State Regulated Insurance

# What Is Excluded From Parity Requirement?

- The law does not require that an employer offer mental health and/or substance use benefits
- The law permits an employer to limit the diagnosis which will be covered
- The law provides a possible cost exemption:
  - If cost is more than 2% greater in first year due to parity employer can request exemption for next year.
  - If cost in subsequent year is 1% greater due to parity employer can request exemption for further year.



# Appeals and Complaints Process

- **Reasons for Denials must be provided**
- **Criteria for Medical Necessity Available Upon Request**
- **Appeals related to Fully Insured Plans can be directed to State Insurance Commissioner**
  - [http://www.naic.org/state\\_web\\_map.htm](http://www.naic.org/state_web_map.htm)
- **Department of Labor has primary federal responsibility**
  - <http://www.dol.gov/ebsa>
  - *Call toll-free 1-866-444-EBSA (3272).*
- **CMS has secondary federal responsibility**
  - [http://www.cms.hhs.gov/HealthInsReformforConsume/01\\_Overview.asp](http://www.cms.hhs.gov/HealthInsReformforConsume/01_Overview.asp)
  - *Call toll-free 1-877-267-2323 extension 6-5511*

# Essential Benefits – 10 Service Areas

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- *Mental health and substance use disorder services, including behavioral health treatment*
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care

***Ensure Compliance with Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) and the Parity Requirements of Affordable Care Act (ACA)***

# Parity. . . Roll Out. . . Next Steps

- **The MHPAEA final regulations were published and released nationally on November 8, 2013.**
- **This ruling affects three Departments (HHS, Labor, and Treasury)**
- **SAMHSA is clearing a Communications Strategy**
- **SAMHSA will host Region Specific Events (Approx. 1.5 Hours)**
- **SAMHSA Specific Resources for Distribution**
  - MHPAEA Marketing and Promotional Materials
  - Recorded National Video and Regional Webinars
  - MHPAEA FAQs and Factsheets

# Sources For More Information

- [http://www.cms.hhs.gov/HealthInsReformforConsume/04\\_TheMentalHealthParityAct.asp#  
TopOfPage](http://www.cms.hhs.gov/HealthInsReformforConsume/04_TheMentalHealthParityAct.asp#TopOfPage)
- **Federal Register / Vol. 75, No. 21 / Tuesday,  
February 2, 2010 / Rules and Regulations**
  - **mentalhealth.gov**
  - **samhsa.gov**

# *Thank You*

**Dennis O. Romero, MA**

**Regional Administrator**

**Region II (NJ, NY, PR, U.S. VI))**

**Substance Abuse and Mental Health Services Administration (SAMHSA)**

**U.S. Department of Health and Human Services (HHS)**

**26 Federal Plaza, Suite 3337**

**New York, New York 10278**

**Phone: 212-264-8097**

**E-mail: [dennis.romero@samhsa.hhs.gov](mailto:dennis.romero@samhsa.hhs.gov)**

**Website: [www.samhsa.gov](http://www.samhsa.gov) / 1-877-726-4727**

**Behavioral Health is Essential To Health • Prevention Works  
Treatment is Effective • People Recover**