

Health Insurance Fact Sheet: Mental Health Parity

Introduction

Since the passage of two federal laws, the Mental Health Parity and Addiction Equity Act (MHPAEA) and the Patient Protection and Affordable Care Act (ACA), consumers have improved access to mental health and substance use disorder (MH/SUD) treatments and services. As a result, your health insurance plan should offer a variety of benefits which allow you to access licensed mental health professionals at a reasonable cost.

WHAT IS MENTAL HEALTH PARITY?

Mental health parity laws require insurers to cover mental and behavioral health no more restrictively than illnesses of the body. Specifically, MHPAEA requires most health plans to apply similar rules to mental health and substance use disorder benefits as they do for medical/surgical benefits. Most health plans are required by law to offer parity for MH/SUD benefits. Generally, these plans include most employer sponsored group health plans and individual health insurance coverage.

What Are Examples of Mental Health (MH)/Substance Use Disorders (SUD)?

Depression, anxiety, mood disorder, eating disorder, substance abuse, addiction, and alcoholism.

What Does Parity Mean for Consumers?

Parity means that financial requirements (such as copayments) and treatment limits (such as how many visits your insurance will pay for) must be comparable for physical health and MH/SUD services. Parity also applies to rules related to how MH/SUD treatment is accessed and under what conditions treatment is covered (such as prior authorization).

What are Examples of Common Limits Placed on Benefits and Services that are Subject to Parity?

Copayments, coinsurance, out of pocket maximums, deductibles, yearly visit limits, need for prior authorization, proof of medical necessity, reimbursements, prescription drug costs.

EXAMPLES OF LICENSED PROFESSIONALS WHO OFFER COVERED MH/SUD SERVICES

Review your provider directory to see which of the following may be in your plan's network:

- Certified Psychiatric Nurse Specialists
- Certified Marriage and Family Therapists
- Clinical Social Workers
- Clinical Psychologists
- Licensed Professional Counselors
- Psychiatrists
- Substance Use Counselor

BENEFITS AND SERVICES THAT MUST BE COVERED EQUALLY:

Mental Health Parity applies to both **Financial Requirements** (co-pays, coinsurance, and deductibles) and **Treatment Limits** (number of visits covered per year) for the following categories:

CATEGORY	EXAMPLES OF SERVICES WHICH SHOULD BE TREATED EQUALLY*
Inpatient Services	Surgery to repair a broken bone vs. residential drug rehabilitation

Outpatient Services	Dermatologist appointment vs. psychiatrist appointment
Emergency Care	Heart failure care vs. observation and stabilization after attempted suicide
Prescription Drugs	All drugs used to treat HIV are preferred brand, while all drugs used to treat depression are on the specialty tier.

*Note: Actual regulatory review of plans requires a comprehensive view of benefits and services, and may not be as simple or clear as the one-off examples provided in this table.

IMPORTANT TO REMEMBER

Health insurance companies may establish rules for how you access care. Under Mental Health Parity, these rules cannot be more limiting for mental health and substance use disorder benefits than they are for medical benefits. Some examples of generally allowable rules, but which may not be more restrictive for MH/SUD than medical coverage include:

- Refusal to pay for higher-cost therapies until it can be shown that a lower-cost therapy is not effective (also known as “step therapy”); or
- Exclusions based on failure to complete a course of treatment.

MORE EXAMPLES OF POSSIBLE PARITY VIOLATIONS

Medical Necessity: After your appointment with a psychiatrist, your health insurer sends you a letter stating it will not pay the claim because the service or treatment was not “medically necessary.” Generally, a MH/SUD service or treatment is medically necessary if:

- Taught in accredited colleges and universities;
- Rendered for the diagnosis or treatment of an actual or existing medical condition (unless being provided as a preventive service); and
- The service or treatment is not experimental or investigational (unless other appropriate services or treatments have been tried first and determined ineffective).

Prescription Drugs: Your plan places all drugs used to treat depression at the specialty tier, which means that the drugs will cost you more money than if the drugs were placed at other tiers for generic drugs or preferred brand name drugs.

Reimbursement Rates: Your plan pays an out-of-network allergist, gynecologist, or dermatologist at 80% of their normal rate, while only paying an out-of-network mental health professional at 60% of their normal rate.

Provider Network: While searching your plan’s provider directory, you find it more difficult to make an appointment with an in-network mental health professional (including finding a provider who is accepting new patients, finding a provider within 30 minutes of your home, or finding a provider who can see you in less than 30 days) than for other providers.

Cost: Your plan charges a higher out-of-pocket payment (co-payments or co-insurance) for mental health professionals than for other specialty providers (e.g. allergists, OB/GYN, or dermatologists).

REPORT A POSSIBLE VIOLATION

Are you having trouble accessing mental health or substance use disorder providers, services, or treatment? If so, you may file a complaint with the District of Columbia Department of Insurance, Securities and Banking’s website at disb.dc.gov or call (202)-727-8000.