

PARITY IMPLEMENTATION COALITION

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HEALTH PLANS MUST OFFER A RANGE AND SCOPE OF ADDICTION/MENTAL HEALTH SERVICES ON PAR WITH MEDICAL SERVICES, BUT CAN APPLY EQUITABLE COST CONTAINMENT

WASHINGTON, D.C. — A new legal analysis of the Mental Health Parity and Addiction Equity Act (MHPAEA) regulations by the Washington, DC based legal and advocacy firm Patton Boggs, was released today by the Parity Implementation Coalition. The analysis found that while health plans must offer the full range and scope of addiction and mental health services provided for other medical conditions covered under the plan, nothing in the regulations changes a plan's ability to use cost containment measures as long as they are equitably applied. Cost containment measures such as medical necessity criteria, formulary design, standards for provider admission into a network or fail first policies could be applied to addiction and mental health benefits as long as they are applied no more stringently than to the plan's medical benefits.

Coalition Steering Committee member Chuck Ingolia, Vice President of the National Council for Community Behavioral Healthcare, said, "The Coalition is pleased that the analysis of the regulations reflects Congress' intent to improve access to non-discriminatory mental health substance use disorder benefits."

In the summary of the analysis released by the Coalition, non quantitative treatment limitations, predominance, scope of services, classification of benefits, clinically appropriate standards of care, and application to Medicaid managed care organizations were highlighted among the issues analyzed in the report.

Dr. Louis Baxter, President of the American Society of Addiction Medicine, applauded how the legal analysis clarifies that both the "predominant and substantially all" and "comparable and no more stringent than" tests are applied to non-quantitative treatment limitations to operationalize the law's "no more restrictive" standard. "Without applying the predominant and substantially all test to non-quantitative treatment limitations," said Dr. Baxter, "a plan could apply a prior authorization requirement (a non-quantitative treatment limitation) for physical therapy visits in excess of two authorized visits on the medical/surgical side representing less than 20% of medical spending but apply a prior authorization requirement to 100% of the addiction and mental health spending. Such a result would undermine the whole intent of parity."

The Parity Implementation Coalition will be incorporating many of the legal points contained in the legal analysis in comments that will be submitted to the Departments of Health and Human Services, Labor and Treasury by May 3, 2010.

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The Parity Implementation Coalition includes the American Psychiatric Association, American Society of Addiction Medicine, Betty Ford Center, Faces and Voices of Recovery, Hazelden Foundation, Mental Health America, National Alliance on Mental Illness, National Association of Psychiatric Health Systems, National Council for Community Behavioral Healthcare, and The Watershed Addiction Treatment Programs. The organizations advanced parity legislation for over twelve years in an effort to end discrimination against individuals and families who seek services for mental health and substance use disorders and remain committed to its effective implementation.