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Fact Sheet on Implementing Mental Health Parity: The SBHA Role¹

The Mental Health Parity and Addictions Equity Act (MHPAEA) requires most health plans to increase coverage and eliminate discriminatory rules and payments, making benefits for mental health and addictions treatment comparable to the coverage provided for all other health conditions. While the implementation of parity presents challenges, the parity law improves access to services for many individuals living with behavioral health conditions.

The Mental Health Parity Act of 1996, revised and expanded by the Mental Health Parity and Addiction Equity Act of 2008, broadly addresses the problem of discrimination against behavioral health disorders in both benefit design and plan administration. The original legislation addressed parity only in relation to annual and lifetime dollar limits on coverage; the 2008 amendments extend the concept of parity to reach a broad range of coverage limitations and exclusions.

The 2010 parity regulations affect many of the health benefit design and management practices described above. The rules clarify that parity can be violated through discriminatory medical necessity criteria that utilize more restrictive tests of necessity in the case of mental illness and through other design techniques such as tiered cost-sharing, tiered network arrangements, and utilization management procedures that are applied in a discriminatory fashion. Federal agencies not only have directly addressed the range of plan design and administration practices, but have identified many types of practices that must be held to nondiscrimination standards, including specific benefit definitions, broad definitional terms such as medical necessity, the use of practice guidelines, and the use of provider network and cost sharing tiers.

SBHAs have a role in ensuring that qualified health plans provide benefits in compliance with parity, and should advocate that state Health Insurance Exchange advisory boards under health care reform, and other oversight bodies monitor compliance with parity law.

For parity to achieve its intended goals, it is important for SBHAs to work closely with their state insurance divisions. Together, SBHAs can promote education of and compliance with parity requirements, monitor results, facilitate handling of consumer complaints, enhance transparency and accountability, and expand consumer protections.

SBHAs should monitor parity implementation by assessing health plan performance related to access and quality, in addition to monitoring coverage and costs; examining the breadth of diagnoses covered by health plans; and mounting a campaign to educate consumers about their insurance benefits.

¹ SBHAs are state substance abuse and mental health authorities, and the term *behavioral health* refers to substance abuse and mental health.



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