

# Paul Wellstone & Pete Domenici Mental Health Parity and Addiction Equity Act of 2008

## STATE & LOCAL ISSUES

# Why Parity?

- > In any given year:
  - About six percent of adults have a serious mental disorder
  - A similar percentage of children have a serious emotional disturbance
  - More than nine percent have substance abuse/dependence.
  
- > Mental disorders are the leading cause of disability in the U.S. for individuals ages 15 to 44 (World Health Organization, 2004).
- > The most often reported reasons for not receiving treatment were no health coverage and could not afford cost.
- > Forgoing mental health/substance abuse benefits can adversely impact medical costs by 25 to 50 percent. And, one third of sick days associated with chronic conditions have been attributed to mh/su disorders.

# Why parity?

- It's the right thing to do— treating equals, equally
- Modernizes out-of-date, discriminatory practices
- Shifts focus to “global cost” of covered lives and society
- Earlier intervention has potential to reduce burden of disability and social consequences
- Politically, citizens were ahead of lawmakers-overwhelming support for parity ‘at the kitchen table’
- Takes advantage of ROI for newer medications, technology, and treatment methods
- ‘Brainpower is fuel for the new economy’

# Implications of Parity for Providers

- Increased outpatient 'volume', competition, price pressure - less co-pays
- More coverage may decrease demands on 'safety net' providers.
- Short-term, cost concerns may increase interest in carve-outs.
- Longer-term, potential for cost-offsets increases interest in integration of with both primary health care and chronic disease management.
- Package "public sector services" for private market—ACT, intensive case management, psycho-social- illness management; crisis services
- Package pricing may be attractive—predictable, comprehensive, effective
- Solutions: hospital follow-up; diversion; disease management/chronic care
- Services designed to assist overwhelmed primary care MD's:  
consults, care mangm't, referral protocols, registries, illness mangm't.
- Consumer-friendly, low cost services, e-health, telehealth, etc.
- Services tailored to specific groups: dual eligibles; children in SCHIP
- EHR's and registries to help manage continuity and total cost of care
- More federal standards, health record specs, data privacy, licensure, accreditation, service definitions and practice models

# Pre-emption Issues: Interactions between state and federal statutes and regulations

- Federal law/regs do not weaken stronger state-level parity that provides more consumer protections
- Which conditions/diagnoses are covered by Federal statute?
- What happens if state has MH parity, but have no or limited substance abuse requirements?
- In Federal law, plans determine which conditions are covered vs. some state laws specify certain diagnoses;
- What about national vs. state-level “community standards” for access, benefits, scope of Tx, provider credentials?

# State-Level Concerns

- State advocates should monitor whether healthplans increase other efforts to control utilization & cost:
  - More rigorous utilization review procedures, criteria
  - Limited provider networks
  - Exclusions: (court-ordered, evidenced-based, experimental)
  - Provider credentialing & program certification standards
  - Tiered providers, tiered cost-sharing
  - Gatekeeper/ referral requirements that limit direct access
  - Other(s)
- Public sector issues: cost-shifting from private to public, Medicaid managed care, parity and carve-outs

# Roles for State Provider Associations

- Clarify state-level regulatory authority for parity: Medicaid managed care, Insurance Commissioner, HMO's
- Monitor pre-emption issues and influence state implementation
- Allies and coalitions
- Anticipate **Opportunities** for community providers
- Anticipate **Threats** for community providers
- Monitor unintended consequences— big change is unpredictable
- Assist with provider “readiness” strategies: competition, service capacity, competence and quality
- Advocacy on interaction of parity and health reform agendas