



Behavioral Health is Essential To Health



Prevention Works



Treatment is Effective



People Recover



Welcome to Parity, Health Care Reform and Beyond:
The Paul Wellstone and Pete Domenici Mental Health Parity
and Addiction Equity Act: Parity 101

The webinar will begin at 1:00 p.m. EST
Thank you for your patience



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Legal Action Center (1-202-544-5478)

WELCOME to the Parity, Healthcare Reform and Beyond Webinar Series

Today's presenter is:

- Gabrielle de la Gueronniere, JD
of the Legal Action Center

WELCOME to the Parity, Healthcare Reform and Beyond Webinar Series! (cont.)

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WELCOME to the Parity, Healthcare Reform and Beyond Webinar Series! (cont.)

Have a question during this presentation?

- Use the chat feature on your screen.
- Will answer some questions at end, and will try to answer others on website.

This training is about . . .

- The Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (Public Law 110-343, Section 511) and the statute's Interim Final Rule

Today's Materials

- This **PowerPoint presentation**
- ***Helpful Resources on the “Paul Wellstone and Pete Domenici Mental Health and Addiction Equity Act of 2008”***

Who is today's audience?

This training is for . . .

- People seeking or in recovery from addiction to alcohol or other drugs, family members, friends, and allies of people with addiction histories
- Recovery support organizations
- Others interested in the topic.

Today's training objectives

1. Understand the major provisions of and protections provided by the new federal parity law and the implementing regulations.
2. Understand and inform others about the key protections provided in the parity law.

What We'll Discuss Today

- The federal parity law
 - Provisions of the statute
 - Discussion of major provisions of the regulations issued to help implement the new law
 - Next steps for implementation

Policy Goals of a Federal Addiction and Mental Health Parity Law

- Eliminating certain forms of discrimination in insurance coverage of mental health and addiction treatment benefits
- Expanding access to treatment for people with mental illness and/or addiction

Background of the MHPAEA

- The Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act (MHPAEA) became Public Law 110-343 in October 2008
 - Twelve-year process
 - Multiple challenges
 - Factors leading to success

Important dates for the federal parity law

- October 2008: MHPAEA becomes law
- January 2010: Requirements of the MHPAEA statute become effective for most plans (calendar-year plans)
- February 2010: Federal regulators issue first set of regulations (the Interim Final Rule and accompanying guidance) on the MHPAEA
- July 2010: Interim Final Rule becomes effective for plans beginning on or after this date; good-faith compliance efforts required in the interim

Central Requirement of the MHPAEA

- The MHPAEA prohibits group health plans that currently offer coverage for drug and alcohol addiction and mental illness from providing those benefits in a more restrictive way than other medical and surgical procedures covered by the plan

Who must comply with the MHPAEA?

- Large groups health plans (plans with 50 or more employees) that choose to offer mental health and/or addiction treatment benefits
 - People enrolled in employer-funded and state-regulated group health plans that offer addiction treatment and/or mental health benefits; includes Medicaid managed care plans
 - People in self-funded plans regulated by ERISA; not protected by State parity laws

Limitations of the federal parity law

- The federal parity law does not:
 - Apply to individual or small group plans (plans with less than 50 employees)
 - Require plans to offer MH and SUD benefits
 - Parity requirements are only for group health plans that choose to offer MH and/or SUD benefits
- Certain plans can opt out
 - Group health plans whose costs increase more than two percent in the first year and one percent after that
 - Non-federal governmental employers providing self-funded group health plan coverage

Provisions of the Wellstone/Domenici Act

- Requires treatment limitations imposed on addiction treatment and mental health benefits to be no more restrictive than those for medical/surgical benefits
- Prohibits financial requirements for addiction or mental health benefits from being more restrictive than those imposed on medical/surgical benefits

Provisions of the Wellstone/Domenici Act (cont'd)

- Continues to allow plans to manage the benefits provided
- Plans can still determine:
 - Medical necessity criteria
 - Scope of coverage

Provisions of the Wellstone/Domenici Act (cont'd)

- Requires medical necessity criteria and reasons for denials of reimbursement to be available to participants and beneficiaries
- Extends out-of-network coverage for addiction and mental health treatment where there is out-of-network coverage for medical/surgical conditions
- Protects State laws that provide greater protection than the federal law

Provisions of the Wellstone/Domenici Act (cont'd)

- Requires:
 - Compliance reports
 - GAO report analyzing impact of the law
- Includes:
 - Provisions for consumer assistance
 - Enforcement provisions

Status and Purpose of the MHPAEA Regulations

- The MHPAEA rule and accompanying guidance was published in the Federal Register February 2, 2010
- Issued jointly by Departments of Health and Human Services, Labor and Treasury
- Seeks to provide greater clarity and guide implementation of the MHPAEA

Status and Purpose of the MHPAEA Regulations (cont'd)

- Rule issued as “interim final”
 - Included 90-day public comment period (closed May 3,2010)
 - Identified specific areas for public comment
 - Rule became effective April 5, 2010
 - Group health plans and issuers with plan years beginning on or after July 1, 2010 required to comply

Key Things to Keep in Mind

- Interim Final Rule/guidance does not answer everything, lots of remaining questions/ambiguity
- Scope of services/continuum of care not defined
- Additional guidance expected

Key Things to Keep in Mind

- This webinar examines how regulations interpret and define the law's central parity test
- Additional key provisions of the regulations will be discussed in Parity 201 webinar

Central Analysis to Determine Compliance with Parity

- MHPAEA prohibits group health plans/health insurers offering SUD or MH benefits from applying financial requirements or treatment limitations to SUD or MH benefits that are more restrictive than the predominant financial requirements or treatment limitations applied to substantially all medical/surgical benefits

Central Analysis to Determine Compliance with Parity (cont'd)

- Gives guidance on how to determine whether financial requirements and treatment limitations imposed on SUD or MH benefits comply with the MHPAEA
- Rule defines key terms in central analysis
 - Predominance: most common or frequent of a type of limit or requirement; the level that applies to more than one-half of the medical/surgical benefits is predominant

Central Analysis to Determine Compliance with Parity (cont'd)

- Rule defines key terms in parity analysis:
 - Substantially all: at least two-thirds of the benefits in that classification
 - If a type of financial requirement or quantitative treatment limitation does not apply to at least two-thirds of the medical/surgical benefits in a classification, that type of requirement or limitation cannot be applied to SUD or MH benefits in that same classification

Rule Defines Key Terms: Financial Requirements

- Financial requirements defined as including:
 - Deductibles
 - Copayments
 - Coinsurance
 - Out-of-pocket maximums

Rule Defines Key Terms: Treatment Limitations

- Rule distinguishes between quantitative treatment limitations and non-quantitative treatment limitations
- Quantitative treatment limitations
 - Day or visit limits
 - Frequency of treatment limits

Rule Defines Key Terms: Treatment Limitations (cont'd)

- Non-quantitative treatment limitations
 - Medical management tools
 - Rule includes an “illustrative” non-exhaustive list:
 - Medical management standards
 - Prescription drug formulary design
 - Fail-first policies/step therapy protocols
 - Standards for provider admission to participate in a network
 - Determination of usual, customary and reasonable amounts
 - Conditioning benefits on completion of a course of treatment

Rule Identifies Classifications of Benefits for Purposes of the Parity Analysis

- Six categories of classification of benefits:
 - Inpatient, in-network
 - Inpatient, out-of-network
 - Outpatient, in-network
 - Outpatient, out-of-network
 - Emergency care
 - Prescription drugs

Comparing Medical/Surgical Benefits with SUD and MH Benefits

- Rule states that group health plans offering benefits for a SUD or MH condition must provide those benefits in each classification for which any medical/surgical benefits are provided
 - If the plan provides medical/surgical benefits in one of the classifications but does not provide SUD or MH benefits in that classification, that would constitute a treatment limitation

Parity Analysis for Financial Requirements and Treatment Limitations: Same Type in Same Classification of Benefits

- Rule specifies that, when examining whether SUD or MH benefits are being offered at parity with other medical/surgical benefits, must compare financial requirement or treatment limitation only with financial requirements or treatment limitations of the same type within the same classification
- Rule establishes standards to measure plan benefits

Special Analysis for Non-quantitative Treatment Limitations/Medical Management Tools

- Rule states that processes/factors used to apply non-quantitative treatment limitations to SUD or MH benefits in a classification have to be comparable to and applied no more stringently than the processes/factors used to apply to medical/surgical benefits in the same classification
- Guidance acknowledges that there may be different clinical standards used in making these determinations

The Affordable Care Act: Building on Wellstone/Domenici

- **SUD/MH services included in the ACA's basic benefits package**
 - Individual and small group plans
 - States can allow large employers to participate in the exchanges in 2017
- **All plans in the exchange must adhere to the provisions of the federal parity law**
 - Building on Wellstone/Domenici—SUD/MH benefits required and must be provided at parity; extension to individual and small group plans

Next Steps: Staying Informed

- <http://thomas.loc.gov>, the Library of Congress website on legislative information
 - Text of the parity law
 - Legislative history including Committee reports, prior versions of the legislation, and Member statements and votes in support of or in opposition to the Act
- <http://edocket.access.gpo.gov/2010/pdf/2010-2167.pdf>, the text of the Interim Final Rule on the Wellstone/Domenici Act

Next Steps: Staying Informed (cont'd)

- Follow the regulatory process—weigh in with comments at key points in the process
- Educate yourself and your elected officials about the requirements of the new parity law

Next Steps: Staying Informed (cont'd)

- Upcoming Parity 201 webinar:
 - Discussion of:
 - Additional key provisions of the Interim Final Rule
 - Intersection between the federal parity, federal health care reform, and state parity laws
 - Questions related to monitoring for compliance— which federal and state agencies are charged with enforcing the federal parity law? What are the enforcement mechanisms?
 - Next steps for implementation

Next Steps: Staying Informed (cont'd)

- Mental Health Parity Watch
 - <http://www.mentalhealthparitywatch.org/Pages/mentalhealthparity.aspx>
- Legal Action Center
 - www.lac.org; gdelagueronniere@lac-dc.org/202-544-5478 with any questions
- Hotlines :
 - **1-866-444-EBSA (3272)** (DOL)
 - **1-877-267-2323 extension 6-5511** (CMS)

HAVE QUESTIONS?

Now for your questions...

How to View the Webinar & Answers To Questions

Answers to questions, a recording of the webinar and the Power Point slides will be posted at:

www.lac.org.

Click on “Trainings and Technical Assistance” and look for the “training materials” section or visit

<http://www.pfr.samhsa.gov/>