

EXECUTIVE SUMMARY

Spotlight on Network Adequacy Standards for Substance Use Disorder and Mental Health Services: Federal and State Regulation and Enforcement of the Parity Act

To ensure that members have access to mental health and substance use disorder treatment, health insurance providers must cover a full continuum of services and a robust network of providers to deliver those services. When networks are limited, consumers are forced to wait or travel long distances for care, pay higher costs for treatment from a non-network provider, or forgo care altogether.

Network gaps for mental health (MH) and substance use disorder (SUD) providers are particularly problematic. Recent research by [Milliman](#) reveals that consumers with private health plans access MH and SUD services from out-of-network providers at a significantly higher rate than for other medical services. Network utilization disparities have persisted even though the Mental Health Parity and Addiction Equity Act (Parity Act) bars discrimination by virtually all health plans in network adequacy standards, the admission of providers to networks and reimbursement practices.

The *Spotlight on Network Adequacy* describes the federal and state regulatory framework for defining and monitoring network adequacy for public and private health plans and offers recommendations to improve and enforce network adequacy standards. The *Spotlight* includes a 50-state survey of quantitative metrics adopted for state-regulated private health plans and offers a “parity assessment” of those state MH and SUD provider metrics.

Key Findings:

- Medicaid managed care plans, Affordable Care Act qualified health plans (QHPs) and Medicare Advantage plans are required to establish adequate provider networks. Federal rules for Medicaid managed care plans and QHPs defer to state regulatory standards, while Medicare Advantage establishes quantitative metrics for providers, including MH providers.
- Twenty-nine (29) states have adopted at least one quantitative metric to define network adequacy for state-regulated private insurance plans – most frequently, geographical distance standards. Only 7 states have adopted quantitative standards for the three most common metrics: geographical distance, appointment wait time and provider-enrollee ratios.
- Sixteen (16) states have adopted at least one quantitative metric for *MH and SUD providers*, but only 2 states have adopted all three metrics. Based on the numerical metrics alone, the standards for MH and SUD providers are comparable to or more generous than standards for medical providers.

Multiple strategies are needed to create robust networks and protect consumers who cannot find a network MH or SUD provider for covered services. The *Spotlight* recommends the adoption of parity-compliant quantitative standards for a wide range of MH and SUD providers in both public and private insurance to both improve access to affordable treatment and identify the cause of network gaps. Improved regulatory oversight of health plan compliance with network adequacy and Parity Act standards, greater transparency of plan compliance, and better consumer education will result in greater access to network services.