

Insurance Parity for Mental Health and Addiction

Parity laws at the federal and state level are designed to ensure that health insurance plans **treat individuals with mental health and substance use disorders (MH/SUD) equally and fairly.**[i] Unfortunately, despite these laws, insurance plans frequently still charge more and put more restrictions on mental health and substance use disorder benefits than for other medical care.

Key Facts

- The Mental Health Parity & Addiction Equity Act of 2008 (MHPAEA) requires that most health insurance plans that cover MH/SUD do so on an **equal basis** with other medical care.
- MHPAEA **prohibits**:
    - Higher copays and other out-of-pocket expenses for MH/SUD benefits than for other medical benefits.
    - More stringent limitations on number of visits or days of coverage for MH/SUD benefits.
    - More restrictive managed-care practices for MH/SUD benefits than for other medical benefits.
- Patients seeking mental health services from private insurers are denied payment at a rate double of those seeking other medical services.[ii]
- Illinois expands on federal parity laws to cover nearly all types of insurance plans.
- Parity laws do not apply to Medicare.

Examples of *Potential* Parity Law Violations[iii]:

- Separate deductible for MH/SUD services that isn't part of overall deductible
- Co-pay for MH/SUD is higher than other health services
- Limits on how many days a patient can stay in treatment facility
- Limits on how many times a patient can see MH/SUD provider
- Charged more for MH/SUD prescription medication than prescriptions for other conditions
- Insurance plan requires permission before starting MH/SUD treatment
- Plan requires permission for continued MH/SUD treatment
- A provider believes a certain MH/SUD treatment is necessary, but the insurer requires trying a cheaper option first
- Insurance won't pay for treatment outside of state or region

Discussion Questions

- Have you or your family/friends ever felt discriminated against when trying to have MH/SUD treatment paid for by an insurance company?
- Have you been denied treatment for a MH/SUD condition that your medical professional deemed necessary?

- Do you know the MH/SUD policies in your insurance policy?
- Have you ever experienced any of the potential violations of parity law listed above?
- Have you filed a complaint?

What You Can Do

- Educate yourself about what parity actually is
- Find out what your health care plan covers for MH/SUD and know your rights
- Be certain your plan complies with the Mental Health Parity and Addiction Equity Act[iv]
- Examine the adequacy of your insurance plan's MH/SUD provider network
- Contact your state and federal elected representatives and share your story
- Find resources and file a complaint at https://ParityRegistry.org



About The Kennedy Forum

The Kennedy Forum (www.thekennedyforum.org) works to create a future where all persons are treated with dignity and receive the person-centered mental and physical care and support they need to thrive and achieve their goals; with a health system that fully recognizes that the brain is part of the body. In 2014, a group of local civic leaders came together to form The Kennedy Forum Illinois (www.thekennedyforumillinois.org) to make Illinois a state-based model for change.

REFERENCES

Overview of Illinois Parity Law: https://paritytrack.org/report/Illinois/Illinois-legislation/

What is Parity? https://www.thekennedyforum.org/parity/

Illinois Providers Report Barriers to Mental Health and Addiction Coverage for Their Patients: https://chp-wp-uploads.s3.amazonaws.com/www.thekennedyforum.org/uploads/2017/09/20170919-IL-MHSUD-Coverage-Provider-Survey-Report-Final.pdf

NAMI, *Out-of-Network, Out-of-Pocket, Out-of-Options: The Unfilled Promise of Parity*, https://www.nami.org/About-NAMI/Publications-Reports/Public-Policy-Reports/Mental-Health-Parity-Network-Adequacy-Findings-/Mental_Health_Parity2016.pdf

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[i] The Kennedy Forum and Scattergood Foundation, Parity Track, https://paritytrack.org.

[ii] NAMI, *A Long Road Ahead: Achieving True Parity in Mental Health and Substance Use Care*, 2015, https://www.nami.org/About-NAMI/Publications-Reports/Public-Policy-Reports/A-Long-Road-Ahead/2015-ALongRoadAhead.pdf.

[iii] The Kennedy Forum and Scattergood Foundation, Parity Track, https://paritytrack.org/know-your-rights/common-violations/. While higher co-pays and a separate deductible for MH/SUD are nearly always illegal, the general test for determining other types of parity law violations is whether a treatment restriction put in place for MH/SUD is more stringent than for treatments for other medical conditions.

[iv] U.S. Department of Labor, *The Mental Health Parity and Addiction Equity Act of 2008 Fact Sheet*, January 29, 2010, https://www.dol.gov/sites/default/files/ebsa/about-ebsa/our-activities/resource-center/fact-sheets/fsmhpaea.pdf and The Kennedy Forum and Scattergood Foundation, Parity Track, https://paritytrack.org/.