MACPAC

Implementation of the Mental Health Parity and Addiction Equity Act in Medicaid and CHIP

Medicaid and CHIP Payment and Access Commission

Erin K. McMullen

Overview

- Background
- Policy questions
- Analytic approach
- Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA, P.L. 110-343) requirements
- State parity analyses: outcomes and challenges
- Shortcomings of MHPAEA

Background

- In 2016, CMS clarified the application of MHPAEA to Medicaid and the State Children's Health Insurance Program (CHIP) in a final rule that took effect in October 2017
- The rule required states and their managed care plans to analyze limits placed on mental health and substance use disorder (SUD) treatment benefits in Medicaid and CHIP
- Little is known about MHPAEA implementation in Medicaid and CHIP

Policy Questions

- What challenges do state Medicaid and CHIP agencies and Medicaid MCOs face in implementing MHPAEA?
- How does the Centers for Medicare & Medicaid Services (CMS) assess state and MCO compliance with MHPAEA?
- Has MHPAEA improved access to behavioral health care for Medicaid and CHIP beneficiaries?
- Are there federal policy changes that would strengthen state and MCO compliance with MHPAEA or otherwise further the objectives of mental health parity?

Analytic Approach

- Semi-structured interviews with Medicaid officials in Hawaii, Maryland, and Oregon
- Additional interviews with MCOs and beneficiary advocates from these states, and officials from CMS and other national organizations

Mental Health Parity Requirements

MHPAEA Requirements

- Coverage for SUD and mental health benefits must be no more restrictive than the coverage generally available for medical and surgical benefits
- Generally, MHPAEA does not mandate coverage of specific behavioral health benefits
- The Patient Protection and Affordable Care Act (ACA, P.L. 111-148) included provisions that extended federal parity requirements to Medicaid and CHIP

Final Rule for Medicaid and CHIP

- Parity requirements apply to all behavioral health benefits for Medicaid beneficiaries enrolled in an MCO, regardless of whether that plan provides mental health, SUD services, or both
- Such requirements do not apply to beneficiaries who are not enrolled in an MCO

Parity Analysis

- States that use an MCO to deliver any Medicaid benefits must complete a parity analysis that compares limitations placed on behavioral health benefits with those used for similar medical and surgical services in four benefit classifications:
  - inpatient
  - outpatient
  - prescription drugs, and
  - emergency care

Parity Analysis, cont.

- The state or MCO is required to identify and test each benefit classification, for each individual benefit, in five specific areas:
  - aggregate lifetime limits
  - financial requirements
  - quantitative treatment limitations
  - non-quantitative treatment limitations, and
  - availability of information

Documenting Parity Requirements

- For managed care, either the state or the MCO may complete the parity analysis depending on how Medicaid benefits are provided
- For certain alternative benefit plans (ABPs) and CHIP plans, states do not have to complete a full parity analysis
- Once an initial parity analysis is conducted, CMS reviews parity provisions in MCO contracts during routine contract processes

Outcomes and Challenges: Parity Analyses

Documenting Parity Requirements

- States and MCOs generally identified similar challenges when conducting parity analyses
- States did not use CMS templates for parity analyses, leading to variation across states
- Parity analyses are resource intensive and states have limited parity expertise

Analyzing Non-Quantitative Treatment Limitations

- Documenting compliance with non-quantitative treatment limitations was the most difficult task for states and plans
- Some interviewees noted that non-quantitative treatment limitations were assessed and interpreted differently both within and across states
- Analyses can be particularly complicated if payment methodologies used for behavioral health and medical and surgical benefits differ
- States and plans faced similar challenges as private insurance market in assessing non-quantitative treatment limitations

Shortcomings of MHPAEA

Shortcomings Related to MHPAEA

- Stakeholders agreed that MHPAEA has helped raise awareness and generate state-level conversations regarding access to behavioral health care
- Generally, states and MCOs have not made large-scale changes to their behavioral health benefits as a result of parity analyses
- Other Medicaid policies are more relevant in ensuring access to community-based services

MACPAC

Implementation of the Mental Health Parity and Addiction Equity Act in Medicaid and CHIP

Medicaid and CHIP Payment and Access Commission

Erin K. McMullen

January 29, 2021