

Mental Health Parity in Texas Medicaid and CHIP

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Presentation Overview

- Mental Health Parity Definition
- Legislative History and Background
- Overview of Mental Health Parity and its application to Texas Medicaid/CHIP
- Next steps at HHSC

Mental Health Parity: Definition

- Requires equal treatment of behavioral health conditions to physical health conditions
- All people receiving any services through Texas Medicaid and CHIP MCOs are protected by mental health parity requirements, even if some services are provided in fee-for-service (FFS)

Mental Health Parity Background and History

- 1996: Mental Health Parity Act of 1996 (MHPA)
 - Required certain commercial group health coverage have parity in aggregate lifetime and dollar limits
- 2008: Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act (MHPAEA)
 - Added substance use disorder services and required parity in treatment/financial limitations
- 2013: Final mental health parity rules for commercial plans
- 2016: Final mental health parity rules for Medicaid and CHIP managed care organizations (MCOs)

Process for Determining Parity Compliance: Benefit Classifications

- The State/MCOs determine which Medicaid services are included in each of the four classifications used in parity analysis:
 - Inpatient
 - Outpatient
 - Emergency Care
 - Prescription Drugs
- Limitations on behavioral health services in each classification cannot be more restrictive than limitations on physical health services in the same classification
- When determining the classification, the MCO must apply “the same reasonable standards to medical/surgical benefits and to mental health or substance use disorder benefits”

Process for Determining Parity Compliance: Types of Limitations

Treatment Limitations

- **Quantitative Treatment Limitations:**
Limits on benefits based on the frequency of treatment
 - Number of visits
 - Days of coverage
 - Days in a waiting period, or
 - Other similar limits on the scope or duration of treatment
- **Non-Quantitative Treatment Limitations:**
No “hard limits” but limit the ability of a person to receive a certain service or level of services
 - Prior Authorization Processes
 - Concurrent Review
 - “Fail First” Policies

Financial Requirements

- Deductibles
- Co-payments
- Co-insurance
- Out of pocket maximums
- Aggregate lifetime or annual dollar limits are not considered financial requirements and are dealt with separately in the final rule

Implementation Timeline

- CMS will continue to issue technical guidance related to parity implementation in the coming months
- Texas must be fully compliant with final parity rules by October 2017
 - Must make documentation of compliance available to general public
 - September 2017 managed contracts must be amended
 - Stakeholder engagement