



SPARTANS WILL.

Mental Health and Substance Use Disorder
Insurance Parity

Hannah Schang, RN-BSN, DNP-PMHNP

Dawn Goldstein, PhD, PMHNP-BC

Ann Annis, PhD, MPH, RN

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Introduction

- Parity: The ability to access treatment for mental health and substance use disorders (MH/SUD) equivalent to treatment offered for medical conditions.
 - Financial limitations
 - Quantitative limitations (QTLs)
 - Non-quantitative limitations (NQTLs)

Treatment Limitations

- Financial: copays, coinsurance, deductibles, out-of-pocket maximums
- Quantitative: day and visit limits
- Non-quantitative: prior authorization, medical necessity review, fail first policy

Background

- Federal Mental Health Parity and Addiction Equity Act (MHPAEA) of 2008
 - Self and fully insured individual and large group employment-based private health plans
- Michigan yet to pass regulatory state laws
- Federal Consolidated Appropriations Act (CAA) of 2021
 - Comparative analysis

Significance

- Drug overdose deaths in 2021 increased 30%
- More than 50% of Americans will be diagnosed with a mental disorder in their lifetime
- 38.4% of Michigan adults who reported not receiving needed mental healthcare stated cost as the reason
- 305,000 experienced a mental illness but did not receive treatment
- 13% of those with a substance use disorder received treatment

Patient Experience

“My daughter was sent to the emergency room for self-harm and suicidal intentions...After 7 days, they transferred her to the trauma side for help with her PTSD. After 2 days in the trauma unit, [our insurer] refused more treatment saying it was not medically necessary. They said they would authorize an outpatient program (which is a 4 week program). After 2 days in the outpatient program, they decided care was not medically necessary. Now she has NO mental health care whatsoever.”

Problem Identification

- No state law requiring health plans to report their compliance leads to a lack of clarity into their compliance
- The MHPAEA may not be getting implemented
- Those seeking mental health treatment may be experiencing barriers

Purpose

- Conduct a comprehensive analysis of three policy options Michigan can adopt related to mental health parity
- Develop recommendations for state law that would ensure compliance with the MHPAEA
- Provide guidance to the Michigan Department of Insurance and Financial Services (DIFS) for implementation of the MHPAEA

Frameworks

Bardach's Eightfold Path

1. Define problem
2. Assemble evidence
3. Construct alternatives
4. Select evaluative criteria
5. Project outcomes
6. Consider trade-offs
7. Deepen analysis
8. Dissemination

Centers for Disease Control Policy Analytical Framework

1. Problem identification
2. Policy Analysis
 - Identify
 - Describe
 - Prioritize
3. Strategy and Policy Development

Environmental Scan

- States with “reporting requirement” laws had the most enforcement
- Best practices for MHPAEA implementation identified:
 - Compliance monitoring
 - Standardized terminology
 - Reporting templates
 - Collaboration

Literature Review

- Only 1 study on state implementation strategies
- Implementation of the MHPAEA
 - Increased spending associated with utilization and improved access
 - Reduced restrictive QTLs and NQTLs

Policy Options

1. Adoption of a state reporting requirement law with best practices
2. Adoption of a state reporting requirement law without best practices
3. No adoption of a state reporting requirement law



Policy Option Assessment

<i>CRITERIA</i>	<i>PUBLIC HEALTH IMPACT</i>	<i>FEASIBILITY</i>	<i>ECONOMIC AND BUDGETARY IMPACT</i>	
<i>Scoring Definitions</i>	Low: small reach, effect size, and impact on disparate populations	Low: No/small likelihood of being enacted	Less favorable: High costs to implement	Less favorable: costs are high relative to benefits
	Medium: small reach with large effect size or large reach with small effect size	Medium: Moderate likelihood of being enacted	Favorable: Moderate costs to implement	Favorable: costs are moderate relative to benefits (benefits justify costs)
	High: large reach, effect size, and impact on disparate populations	High: High likelihood of being enacted	More favorable: Low costs to implement	More favorable: costs are low relative to benefits
			<i>BUDGET</i>	<i>ECONOMIC</i>
Adoption of state reporting requirement law with best practices	• Low	• Low	• Less favorable	• Less favorable
	• Medium	• Medium	• Favorable	• Favorable
	• High	• High	• More favorable	• More favorable
	Concerns about the amount or quality of data? (Yes / No)	Concerns about the amount or quality of data? (Yes / No)	Concerns about the amount or quality of data? (Yes / No)	Concerns about the amount or quality of data? (Yes / No)
Adoption of state reporting requirement law without best practices	• Low	• Low	• Less favorable	• Less favorable
	• Medium	• Medium	• Favorable	• Favorable
	• High	• High	• More favorable	• More favorable
	Concerns about the amount or quality of data? (Yes / No)	Concerns about the amount or quality of data? (Yes / No)	Concerns about the amount or quality of data? (Yes / No)	Concerns about the amount or quality of data? (Yes / No)
No adoption of state reporting requirement law	• Low	• Low	• Less favorable	• Less favorable
	• Medium	• Medium	• Favorable	• Favorable
	• High	• High	• More favorable	• More favorable
	Concerns about the amount or quality of data? (Yes / No)	Concerns about the amount or quality of data? (Yes / No)	Concerns about the amount or quality of data? (Yes / No)	Concerns about the amount or quality of data? (Yes / No)

Adoption of state reporting requirement law with best practices

Public Health Impact

- High
- Large reach and effect size
- 55.9% of Michigan residents with private insurance

Feasibility

- Medium
- Moderate likelihood of adoption
- Several competing factors

Budgetary/Economic Impacts

- Favorable/More Favorable
- Moderate costs, but benefits outweigh costs

Recommendations

1. Michigan to adopt a state reporting requirement law
2. Utilize best practices to aid state and federal law implementation

Strategy and Policy Development

- Clarifying operational issues:
 - Target Michigan legislators that can champion parity policy
 - Adopt model comprehensive state legislation created by APA
 - Meet with DIFS representatives
- Sharing information to diverse audiences:
 - Policy: Speak to legislators about findings, Institute for Public Policy and Social Research, professional journal submission
 - Healthcare: Michigan Chapter of the American Psychiatric Nurse Association conference presentation
 - Public: Host webinar for the Mental Health Association of Michigan

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