

A **Stunning** Lack of Mental Health Parity

Eleven years after Congress passed a law mandating that insurers provide equal access for mental and physical health care, Americans are actually finding it **harder to obtain** affordable treatment for mental illness and substance abuse.

An excellent article to read is from the *Boston Globe*. To read the article, click [here](#). A quote from the article follows:

"Tom Insel, a psychiatrist who serves as chief adviser to California Governor Gavin Newsom on mental health issues, called the results of the study "**stunning**."

"For people with serious mental illness, you actually have better access to care if you have Medi-Cal (Medicaid) than commercial insurance. That is virtually unthinkable for medical conditions," said Insel, who led the National Institute of Mental Health from 2002 to 2015. "We would never permit this for heart disease or cancer."

The November 2019 report which quantifies some facets of the lack of mental health parity, **for each state**, is a report from Milliman, a risk management and health care consulting company. They followed the numbers from 2013 to 2017 and are able to show the lack of parity is worsening. The report can be found [here](#).

Iowa's numbers and key points of the report:

There are **wide disparities** in network use and provider reimbursement when comparing addiction and mental health vs. physical health in commercial preferred provider organization (PPO) health plans.

1. Disparities in **out-of-network utilization rates** for behavioral healthcare services compared to medical/surgical (physical health) services for:

a. Inpatient facility

Iowa

Med/surg – 2.5%

Behavioral – 5.7%

Behavioral health out-of-network utilization is **2.25X higher**

b. Outpatient facility

Iowa

Med/surg – 3%

Behavioral – 7.1%

Behavioral health out-of-network utilization is **2.36X higher**

c. Professional office-based settings

Iowa

Med/surg – 1.8%

Behavioral – 3.9%

Behavioral health out-of-network utilization is **2.14X higher**

2. Disparities in **provider reimbursement rates** of behavioral healthcare providers compared to primary care and specialty care medical/surgical providers for office-based services (*reimbursement relative to Medicare allowed level of in-network*)

Iowa

Primary care – 155%

Behavioral – 101%

Primary care has a **54% higher** reimbursement level than behavioral

Iowa is one of 11 states where provider payments for mental healthcare are more than 50% lower than in primary care.

Nationally, disparity between **SUD inpatient facilities** utilized out of network was:

10.1X higher than medical/surgical **inpatient facilities**

8.5X higher than medical/surgical **outpatient facilities**

9.5X higher than medical/surgical **office-based settings**

A behavioral healthcare office visit for a child was **10.1X** more likely to be an out-of-network provider than a primary care office visit.

Spending for **mental health treatment** (*excluding prescription drugs*) as a percentage of **total healthcare spending** has been consistent through the 2013 to 2017 study period – between **2.2% and 2.4%**.

The percentage of total healthcare spending for **mental health and SUD** treatment (*excluding prescription drugs*) was **5.2%**.

In October 2018, **Iowa was given an “F” grade for its mental health parity laws** by the Kennedy-Satcher Center for Mental Health Equity. The F grade document is below.

The next questions are:

1. **Will the state legislature pass a new mental parity law?** There is a model mental health parity bill which can be used which requires health insurers to provide annual evidence of parity compliance to the Iowa Insurance Commissioner. It follows the recommendations of multiple reports.
2. Will the state legislature pass legislation for a single **Central Credentialing Center** to **save** providers, MCO's and insurers **time and money** and enable providers to **start providing services sooner** than the present system allows. Under a proposed Central Credentialing Center, providers would only have to credential **once** instead of the present system which **requires credentialing multiple times** because the requirement is to credential with **each** insurance company they want to receive reimbursement from. The health insurers would all have to accept the credentialing decision from the **Central Credentialing Center**.
3. Will the state legislature authorize **new provider network rules**?
We all know we have a **mental health workforce crisis**.

New provider network rules for health insurers are needed which accurately reflect the pool of providers we have. In the present system, providers can be listed more than once based on multiple geographic locations served. This practice makes present Provider networks undependable and bloated. A provider should be listed **once** with their geographic areas listed as a sub category.

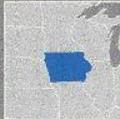
Iowa has an undeniable mental health workforce shortage yet insurance companies are supposedly meeting the present rules for having an adequate provider network? How can that be? How can they have an adequate provider network when we have a mental health workforce crisis?

See the AMOS 1-25-16 provider network study at www.namigdm.org, click on “get involved” and scroll down to the report.

Evaluating State Mental Health and Addiction Parity Statutes

STATE REPORT CARD

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What is Parity?

The Mental Health Parity and Addiction Equity Act of 2008, also known as the Federal Parity Law, requires insurers to cover illnesses of the brain, such as depression or addiction, no more restrictively than illnesses of the body, such as diabetes or cancer.

How Do Iowa's Statutes Measure Up?

50 out of 100 points



Grade: 

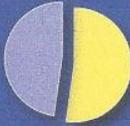
Why Grade State Statutes?

In advance of the 10th anniversary of the signing of the Federal Parity Law, we examined how states enact strong parity statutes in order to ensure that state regulators have a full set of tools to make parity a reality and to hold both health plans and state officials accountable.

Relevant Stats

In Iowa...

- OVER **1 in 6** adults have a mental illness
(national average over 1 in 6)
- OVER **1 in 11** adults with mental illness are uninsured
(national average over 1 in 7)
- NEARLY **1 in 11** youth have a mental illness
(national average approximately 1 in 12)
- NEARLY **1 in 12** youth have private insurance that does not cover mental health
(national average 1 in 13)

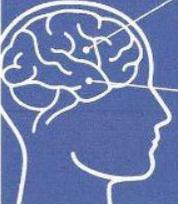


54%

of residents are covered by employer-based health insurance
(national average 49%)

Key Issues

The promise of parity remains elusive for many individuals directly impacted by mental illness and substance use disorders. They are denied care when they need it most and have few resources to advocate on their own behalf. Based on deficiencies found in our analysis of state statutes, Iowa should consider:

-  • How mental health and addiction conditions are covered
- How compliance with the parity law is monitored and enforced

Douglas, M., Wrenn, G., Bent-Weber, S., Tonti, L., Carneal, G., Keaton, T., Grillo, J., Rachel, S., Lloyd, D., Byrd, E., Miller, B., Lang, A., Manderscheid, R., Parks, J. Evaluating State Mental Health and Addiction Parity Statutes: A Technical Report, The Kennedy Forum, 2018.

Nguyen, T., Hellebuyck, M., Halpern, M., & Fritze, D. (2018). The State of Mental Health in America 2018. Alexandria, VA: Mental Health America, Inc.

The Henry J. Kaiser Family Foundation (2016). Health Insurance Coverage of the Total Population.

Visit ParityTrack.org/Anniversary to access the Technical Report and all State Report Cards.









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