

HOW PARITY IMPLEMENTATION CAN HELP PSYCHIATRISTS

The federal Mental Health Parity and Addiction Equity Act (MHPAEA) requires insurance coverage for mental health and substance use disorder care to be no more restrictive than coverage for other medical care. Unfortunately, even though it has existed for a decade, insurers are still not in full compliance with the law. Better enforcement efforts by state insurance departments and state Medicaid agencies are essential to securing full compliance.

Insurers are largely in compliance with the more straightforward aspects of parity, such as eliminating more restrictive inpatient day limits and cost sharing requirements for mental health care. However, there is still noncompliance in the more complex areas relating to insurers' managed care practices. Here are some of the most problematic issues:

- Prior authorization and other types of utilization review are performed more stringently for mental health care than other medical care
- Reimbursement rates for mental health services are designed in a way that likely runs afoul of MHPAEA's rules
- The way in which insurers establish and maintain their networks of mental health providers is not comparable to how they do so for other medical providers
- Insurers categorically decide to exclude from coverage certain clinically-appropriate treatments for common mental disorders in a fashion that is not comparable to how they decide whether to cover clinically-appropriate treatments for common medical conditions

These problems will not abate without stronger oversight from state regulatory bodies. However, enhanced but targeted enforcement will correct insurers' behavior. **This will benefit psychiatrists in the following ways:**

- Reduce the administrative burden encountered during utilization review
- Increase reimbursement rates so that accepting insurance is a viable option
- Lead insurers to design and maintain their mental health provider networks in a way that incentivizes participation
- Enhance the range of treatment modalities available to patients