

# RED FLAGS!

Your health plan may be violating the law

State and federal parity laws require most health insurance plans (private and Medicaid) to cover substance use disorder (SUD) and mental health (MH) benefits equally with other medical and surgical benefits. But many do not. If your health plan does anything listed here, it may be violating the law if it does not place similar limits on medical services.

## Authorization and Medical Necessity Decisions

- Requires pre-authorization or pre-notification for all SUD or MH services.
- Requires frequent continuing care review for SUD or MH services or medications, approving only a few days of services before requiring another authorization.
- Requires patients to “fail first” at a lower level of SUD or MH care (like outpatient) before approving a higher level of care (like inpatient).
- Refuses to cover a course of treatment because patient “failed to complete previous treatment,” “is not improving,” or “is not likely to improve.”
- Only covers services that result in a measurable and substantial improvement in mental health status within a certain number of days.
- Requires a written treatment plan for SUD or MH services earlier in the treatment process or more frequently than for medical services.

## What should you do if you see a red flag?

Notify state and federal regulators. They look to consumer and provider complaints to identify and fix parity violations. For more information, please read *Has Your Health Insurer Delayed or Denied Substance Use or Mental Health Care?* at [www.lac.org/redflagcompanion](http://www.lac.org/redflagcompanion). For sample complaints and even more in-depth information, please read *Health Insurance for Addiction and Mental Health Care: A Guide to the Federal Parity Law*, available at [www.lac.org/parityguide](http://www.lac.org/parityguide).

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[www.lac.org](http://www.lac.org)

## Provider Network and Reimbursement

- Has no or very limited network providers for SUD or MH services.
- Has no in-network SUD or MH providers accepting new patients or within a reasonable distance.
- Requires SUD and MH providers to have additional documentation or qualifications for network admission than it has for medical providers.
- Reimburses SUD and MH care providers at rates lower than medical providers billing for same services.
- Sets SUD and MH reimbursement rates using different standards than it uses for medical providers.

## Benefit Exclusions and Limits on Care

- Does not cover residential SUD or MH care.
- Does not cover SUD medications (e.g., methadone treatment, buprenorphine, naltrexone, or naloxone) or limits length of coverage.
- Limits the number of days or visits for SUD or MH care.

## Different Out-Of-Pocket Costs

- Charges higher co-payments for routine substance use disorder or mental health visits than for routine medical and surgical visits.
- Charges a separate deductible for substance use disorder or mental health services.
- Limits how much it will pay per year, or during a patient's lifetime, for substance use disorder or mental health services.

## Other Barriers to Care

- Places geographic limitations on where a patient can receive SUD or MH services (for example, not covering services received out-of-state) without similar limitations for medical services.
- Provides insufficient or incorrect information in service denial letters.
- Refuses to provide information, like medical necessity criteria and documents explaining plan standards, when patients or providers request it.