

Federal Mental Health Parity Laws Now Apply to All MediCal Managed Care Plans

If you or your child is enrolled in a California MediCal managed care plan, including a MediCal alternative benefit plan, you are protected by some of the provisions of the federal mental health parity laws.

Historically, insurers imposed more restrictive financial requirements, such as higher co-payments, on mental health services than for medical services, and they applied more stringent treatment limitations, such as the number of visits covered, for mental health services than for medical services. The federal mental health parity laws are intended to remedy this inequity by requiring that a person receive coverage for mental health services that is equivalent, equal or comparable to what they receive for physical health care. As of October 2, 2017 California must assure that all beneficiaries who receive services through MediCal managed care organizations be provided access to mental health and substance use disorder benefits that comply with parity standards.

Among the key provisions you need to be aware of:

- **Treatment Limitations:** This refers to any maximums that a health insurance plan imposes on specific benefits. There are two types of treatment limits.
 - **Quantitative Treatment Limits:** These include copays, deductibles, number of visits, and days of treatment and are fairly easy to spot and analyze because they have a number attached. It is a violation of parity laws when access to treatment for mental health and substance use abuse is more limited or when the out of pocket costs are higher than for physical health care.
 - **Non-quantitative Treatment Limits:** These are any non-numerical process, strategy, standard or other factor that limits treatment benefits. For example, step-therapy where a patient is required to try a cheaper treatment first before being allowed to access a more effective and expensive alternative. It is a violation of parity law if step therapy is required for mental health treatment but not for physical health treatment. Other examples include restrictions based on geographic location, type of facility, provider specialty and other criteria that limit the scope or duration of mental health and substance abuse disorder benefits more than physical health treatment.
- **Availability of information** – Upon request managed care entities must make available to beneficiaries and contracting providers the criteria for medical necessity

determinations. In addition, managed care plans must provide enrollees the reason for any denial of reimbursement or payment for mental health and substance use disorder benefits.

- Parity protections must be applied to long term care services and supports for mental health and substance use disorders in the same manner that they are applied to other services.
- The state must establish network adequacy standards in managed care entities for key types of providers.

If you have any questions or concerns about your managed care coverage, you can contact the Help Center for the Department of Managed Health Care at 1-888-466-2619 or www.HealthHelp.ca.gov.