



# **Mental Health Parity in Texas Medicaid and CHIP**

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# Presentation Overview

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- Mental Health Parity Definition
- Legislative History and Background
- Overview of Mental Health Parity and its application to Texas Medicaid/CHIP
- Next steps at HHSC

# Mental Health Parity: Definition

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- Requires equal treatment of behavioral health conditions to physical health conditions
- All people receiving any services through Texas Medicaid and CHIP MCOs are protected by mental health parity requirements, even if some services are provided in fee-for-service (FFS)

# Mental Health Parity Background and History

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- 1996: Mental Health Parity Act of 1996 (MHPA)
  - Required certain commercial group health coverage have parity in aggregate lifetime and dollar limits
- 2008: Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act (MHPAEA)
  - Added substance use disorder services and required parity in treatment/financial limitations
- 2013: Final mental health parity rules for commercial plans
- 2016: Final mental health parity rules for Medicaid and CHIP managed care organizations (MCOs)

# Process for Determining Parity Compliance: Benefit Classifications

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- The State/MCOs determine which Medicaid services are included in each of the four classifications used in parity analysis:
  - Inpatient
  - Outpatient
  - Emergency Care
  - Prescription Drugs
- Limitations on behavioral health services in each classification cannot be more restrictive than limitations on physical health services in the same classification
- When determining the classification, the MCO must apply “the same reasonable standards to medical/surgical benefits and to mental health or substance use disorder benefits”

# Process for Determining Parity Compliance: Types of Limitations

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## Treatment Limitations

- **Quantitative Treatment Limitations:**  
Limits on benefits based on the frequency of treatment
  - Number of visits
  - Days of coverage
  - Days in a waiting period, or
  - Other similar limits on the scope or duration of treatment
- **Non-Quantitative Treatment Limitations:**  
No “hard limits” but limit the ability of a person to receive a certain service or level of services
  - Prior Authorization Processes
  - Concurrent Review
  - “Fail First” Policies

## Financial Requirements

- Deductibles
- Co-payments
- Co-insurance
- Out of pocket maximums
- Aggregate lifetime or annual dollar limits are not considered financial requirements and are dealt with separately in the final rule

# Implementation Timeline

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- CMS will continue to issue technical guidance related to parity implementation in the coming months
- Texas must be fully compliant with final parity rules by October 2017
  - Must make documentation of compliance available to general public
  - September 2017 managed contracts must be amended
  - Stakeholder engagement