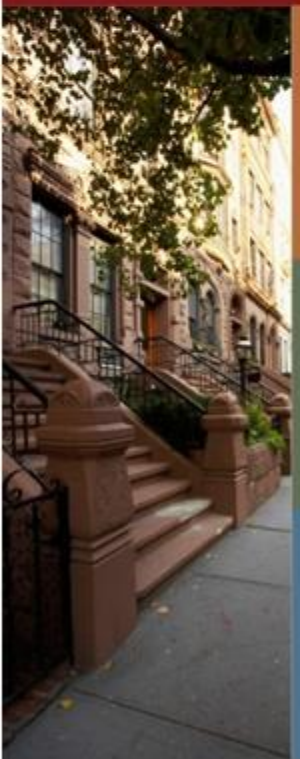
Substance Abuse and Mental Health Services Administration

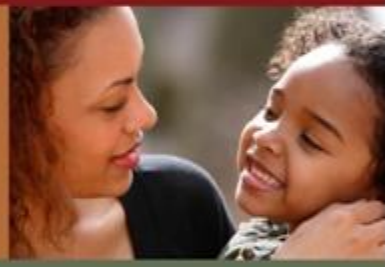
SAMHSA

www.samhsa.gov • 1-877-SAMHSA-7 (1-877-726-4727)

Behavioral Health is Essential To Health



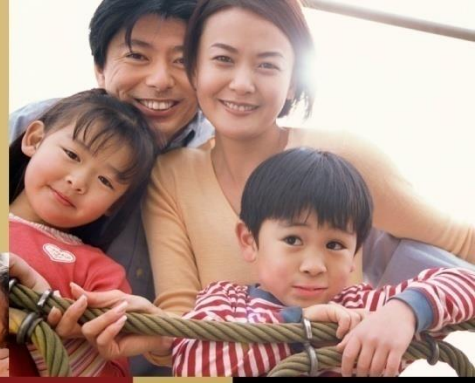
Prevention Works

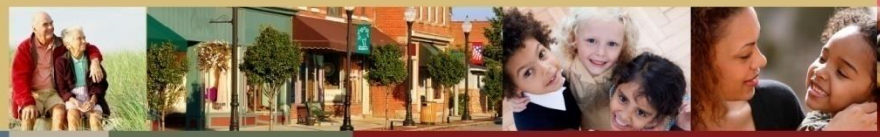


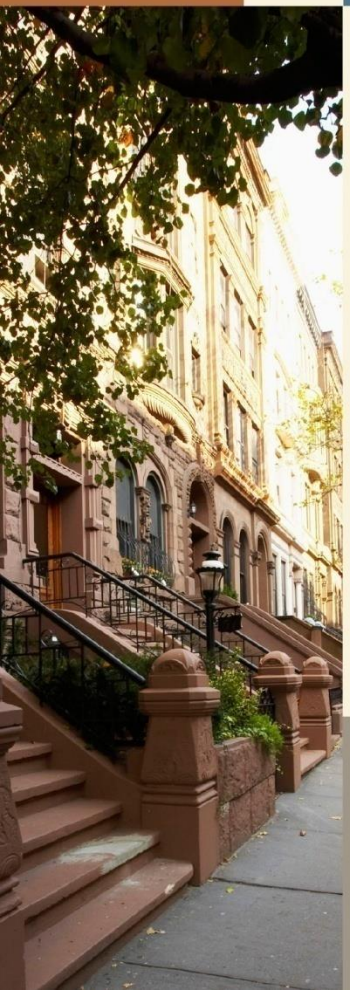
Treatment is Effective

People Recover

Substance Abuse and Mental Health Services Administration
SAMHSA
www.samhsa.gov • 1-877-SAMHSA-7 (1-877-726-4727)
1992-2012
20 YEARS STRONG

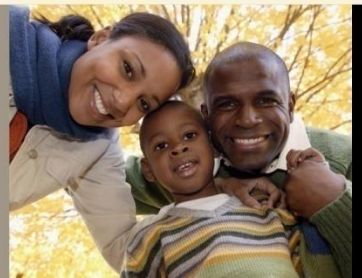






Application of MHPAEA to Medicaid and CHIP (CMS-2333-P)

April 24, 2015 ~ 2:00 PM ET



DEPARTMENT OF HEALTH & HUMAN SERVICES • USA

Today's Agenda

- General parity requirements
- Alignment with the MHPAEA Final Rules
- Application of parity to Medicaid and CHIP
- Requests for Comments
- Q&A

Presenter Bio

John O'Brien is the Senior Policy Advisor for the Disabled and Elderly Health Programs Group at the Centers for Medicare and Medicaid Services. Previously, John was the Senior Advisor to the Administrator on Health Care Reform at the Substance Abuse and Mental Health Services Administration (SAMHSA). John O'Brien was the Director of several national projects funded by the Robert Wood Johnson Foundation to develop strategies for coordinating funding for human services from federal, state and local dollars. Prior to his work at SAMHSA, Mr. O'Brien worked with the Technical Assistance Collaborative for fifteen years as a Senior Consultant. He has provided consultation to over 30 states and local human services authorities. He has worked with Medicaid, state mental health and substance abuse authorities. He has worked with states to develop federal Medicaid Waivers, Medicaid state plan amendments, and federal grant applications (e.g., children's system of care). Mr. O'Brien has also been a manager at KPMG Peat Marwick and worked for the Eunice Kennedy Shriver Center, the Massachusetts Developmental Disability Council, the Illinois Governor's Office, and the Illinois Legislative Commission on Mental Health, Mental Retardation and Substance Abuse. He was a program staff at Thresholds, Inc. in Chicago.

Presenter Bio

David Shillcutt is a health insurance specialist in the Division of Benefits and Coverage at the Center for Medicaid and CHIP Services. David's work at CMS focuses on the Innovation Accelerator Program, including physical and mental health integration and substance use disorders. David has also worked for the Substance Abuse and Mental Health Services Administration (SAMHSA), where he was the agency lead for regulatory affairs, and for CDC's Center for Global Health as a Presidential Management Fellow. David has a J.D. from the University of Georgia and a B.A. in History and Literature from Harvard University.

Application of MHPAEA to Medicaid and CHIP (CMS-2333-P)

April 24, 2015

2:00 p.m. ET

General Parity Requirements

Mental Health Parity and Addiction Equity Act

The Mental Health Parity and Addiction Equity Act (MHPAEA) requires group health plans to ensure that the financial requirements and treatment limitations that are applicable to mental health or substance use benefits are no more restrictive than the predominant financial requirements and treatment limitations applied to substantially all medical and surgical benefits covered by the plan.

General Parity Requirements

- MHPAEA defines financial requirements as including deductibles, copayments, coinsurance and out of pocket expenses
- MHPAEA defines treatment limitations as including "limits on the frequency of treatment, number of visits, days of coverage or other similar limits on the scope or duration of treatment"

General Parity Requirements

- Plans may not impose a non-quantitative treatment limit (NQTL) on MH/SUD benefits unless
  - any **processes, strategies, evidentiary standards, or other factors** used in applying the NQTL are
  - **comparable to, and are applied no more stringently than**, the processes, strategies, evidentiary standards, or other factors used in applying the limitation to medical/surgical benefits
  - in the same classification.

General Parity Requirements

- MH/SUD coverage is NOT mandated under MHPAEA
- However, if a plan provides coverage for MH/SUD benefits in any classification, coverage for MH/SUD benefits must be provided in every classification in which medical/surgical benefits are provided
- This Medicaid and CHIP NPRM proposes four benefit classifications: inpatient, outpatient, emergency care, and prescription drugs

Alignment with the MHPAEA Final Rules

Alignment with MHPAEA Final Rules

- Final rules were issued in 2013 to apply MHPAEA to group health plans and individual issuers in the commercial market
- This Medicaid and CHIP NPRM has been aligned as much as possible with the final MHPAEA regulations, including provisions for:
  - Meaning of Terms
  - General parity requirements for financial requirements, quantitative treatment limitations
  - Parity requirements and examples of NQTLs
  - Availability of information requirements

Differences from MHPAEA Final Rules

- Several provisions of this Medicaid and CHIP NPRM are different than policies governing the commercial market, including:
  - Application of parity across different delivery systems
  - Change in the number of benefit classifications
  - Application for a cost exemption
  - Application of parity to Alternative Benefit Plan and CHIP state plans

Application of Parity to Medicaid and CHIP

Scope of Application – MCOs

- Parity applies to all individuals enrolled in a Managed Care Organization (MCO) regardless of whether that plan provides MH/SUD services
- Parity does not apply to individuals who receive FFS state plan services only

Scope of Application – ABPs

- All parity requirements apply to benefits delivered through ABP MCOs
- For benefits offered only through FFS under the ABP state plan, the following provisions apply:
  - Parity of financial requirements and treatment limitations
  - Disclosure of medical necessity criteria upon request and reason for any denial of payment for MH/SUD services
- Parity provisions related to annual and lifetime dollar limits do not apply to the ABP state plans

Scope of Application – CHIP

- The full scope of MHPAEA applies to CHIP, regardless of whether care is provided through fee-for-service or managed care

Application to MCOs

- This NPRM will allow states to include costs of becoming MHPAEA compliant (new services and additional units) in payments to MCOs
  - Medicaid regulations direct states to reimburse MCOs based only on state plan services (including limits)
  - Because the actuarially-sound payment methodology will take costs of compliance with parity into account, MCOs will not incur a net increase in costs
- Therefore, the NPRM does not include an increased cost exemption

Application to MCOs

- States have two options if they find that the benefit package afforded to enrollees of MCOs does not meet the requirements of these proposed rules:
  - Change their state plan so that the service package complies with these proposed rules; or
  - Add benefits or remove any relevant treatment limitations from the benefit package provided by the MCO, PIHP or PAHP without making any change to the service in the state plan

Application Across Delivery Systems

- States have the flexibility to provide services through managed care entities other than MCOs, including prepaid inpatient health plans (PIHPs) or prepaid ambulatory health plans (PAHPs)
- The NPRM would allow states that have MCOs, PIHPS, and/or PAHPS, to apply parity requirements across the delivery systems and therefore allow states the maximum flexibility

Application Across Delivery Systems

- In states where some or all MH/SUD services are carved-out through some combination of MCOs, PIHPs, PAHPs, or FFS, the state would have the responsibility for assessing parity compliance across these delivery systems
- The state would be required to make available documentation of parity compliance to the general public within 18 months of the effective date of this rule

State's Responsibility

- States have a general responsibility to administer the state plan in compliance with federal law
- States will be required to provide an assurance of compliance with parity requirements when submitting ABP or CHIP state plans
- State Medicaid agencies must include contract provisions requiring compliance with parity in applicable MCO, PIHP, and PAHP contracts

Effective Date

- The NPRM proposes to allow states up to 18 months after the date of the publication of the final rule to comply with the finalized provisions
- This 18-month delay would allow states time to:
  - Make budget requests to add new services or additional service units
  - Make contract changes to their MCO, PIHP, or PAHP contracts
  - Obtain approval from CMS to make changes to their non-ABP state plan for services delivered through FFS (if they so choose)

Requests for Comments

Requests for Comments

- The proposed 18-month period for compliance
- The absence of a cost-based exemption
- The availability of additional evidence on the financial impact of aligning NQTLs for Medicaid services
- The definition of medical/surgical benefits to explicitly exclude long term care services
- The need for additional provisions concerning the availability of plan information or notice of adverse determinations for MCOs, ABPs, and CHIP

Process for Comments

- Comments on this NPRM may be provided by one of four ways:
  - Electronically at http://www.regulations.gov
  - Regular mail
  - Express or overnight mail
  - By hand or courier
- To be assured consideration, comments must be received at one of the addresses outlined in the regulation, no later than 5 p.m. on June 9, 2015

Questions and Answers

Questions and Answers

- Full text of this NPRM is available at http://www.regulations.gov

- For further information, please contact David Shillcutt at david.shillcutt@cms.hhs.gov

THANK YOU

Reminder:

Please fill out your evaluation