

Mental Health and Addiction Parity in Illinois

The Kennedy Forum is committed to full implementation and enforcement of the Federal and State Parity Laws.

Parity is About Fairness

People living with **mental health or addiction challenges** often have more difficulty getting the treatment and services they need when compared to individuals seeking other medical care. Historically, some health insurance plans put more restrictions on treatment for **behavioral health** benefits and sometimes charge higher amounts than other types of medical care. **Parity** laws at the federal and state level are working to change this and make health insurance plans treat individuals living with mental illness or addictions fairly.

Parity is the Law

The Mental Health Parity and Addiction Equity Act (the “**Federal Parity Law**”) was passed in 2008 and requires health insurance plans to cover **behavioral health** benefits and physical health benefits equally. The Federal Parity Law says three things:

- Health insurance plans CANNOT require higher **deductibles, co-payments, and out-of-pocket** expenses for your behavioral health benefits than they do for other medical benefits.
- Health insurance plans CANNOT put higher limitations on the **frequency of treatment, number of visits, or days of coverage** for your behavioral health care than they do for other medical care.
- Health insurance plans CANNOT review behavioral health treatment more frequently to determine if it is **medically necessary**, or use more restrictive criteria for what is medically necessary than they do for other medical care.

The **Federal Parity Law** does not require that all health insurance plans offer behavioral health coverage, but if a health insurance plan covers any behavioral health benefits, the coverage must be equal to medical benefits.

State Parity Laws can also provide additional rights beyond the Federal Parity Law, by mandating coverage of behavioral health benefits and/or placing stricter parity requirements on insurance plans.

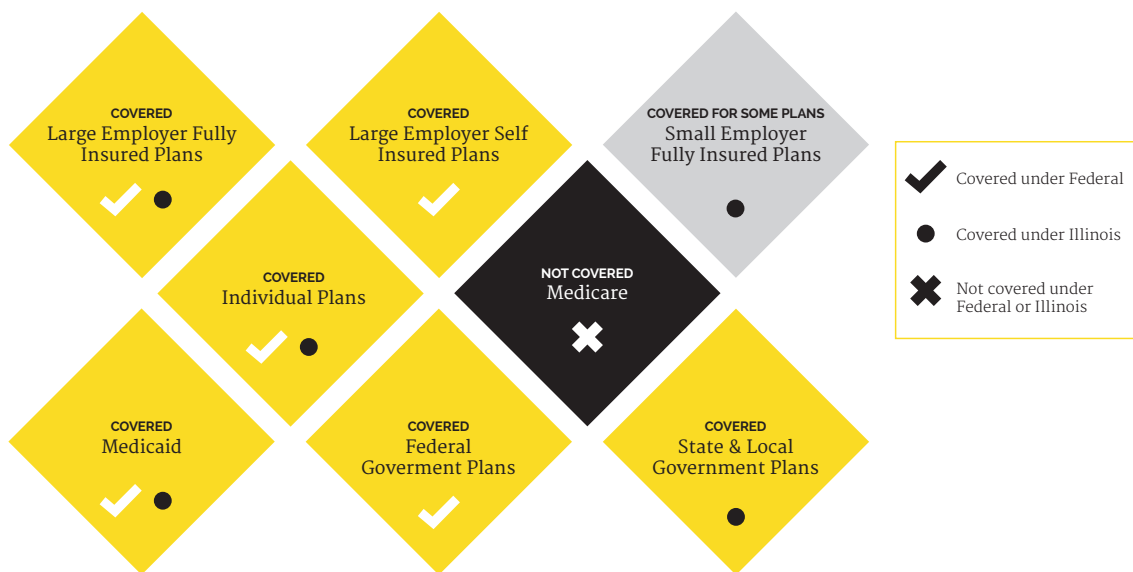
Parity in Illinois

Illinois enacted a new parity law (Public Act 99-480) on September 11, 2015 to advance parity implementation and expand on the Federal law. The new law includes important provisions to extend and clarify **coverage**, **educate consumers** about their rights, require certain minimum **treatment** benefits, and improve **enforcement** of the law.

COVERAGE

Illinois law goes beyond Federal parity by extending applicability to more plans and by requiring certain mental health and substance use disorder benefits for certain plans. Together, Federal and Illinois laws apply to most health plans for consumers in Illinois.

The illustration below shows coverage under each law



For **Medicaid**, Illinois also expands coverage requirements to include:

- All FDA approved forms of medication assisted treatment prescribed for the treatment of alcohol dependence or the treatment of opioid dependence
- Opioid antagonists

For **all plans**, Illinois:

- Requires any policy issued, amended, or delivered after the effective date to cover at least one opioid antagonist including refills.
- Requires the offering of coverage for medically necessary acute treatment services and medically necessary clinical stabilization services.

EDUCATION

To help consumers, health providers and health plans better understand parity and Illinois law, the new law requires the Illinois Department of Insurance (“DOI”) to:

- Develop a plan for a Consumer Education Campaign on mental health and addiction parity, which must include live training events.
- Establish a consumer hotline by March 1, 2016 to assist consumers in navigating the parity process.
- Issue a report to the General Assembly on the success of the Consumer Education Campaign.



The law also establishes a Parity Education fund for DOI to provide financial assistance for a consumer education campaign related to mental health and addiction parity.

TREATMENT

Parity is working if people are able to access treatment. After January 1, 2014, the Affordable Care Act mandated essential health benefits including mental health and substance use disorder treatment. For employers with more than 50 employees, Illinois law further mandates certain minimum benefits be covered for serious mental illnesses and substance use disorders. Public Act 99-480 extends that mandate to the state employee health insurance program, county and municipal plans, as well as Medicaid and CHIP plans. Among other things, Illinois parity law previously adopted:

- Add substance use disorders to the existing mandated offer of coverage for serious mental illnesses.
- Expand coverage of providers who could render mental health and substance use disorder treatment services,
- Require that coverage each calendar year shall not be less than 45 inpatient days and 60 outpatient visits (*which include individual and group counseling but medication management is in addition to these visits*).
- Prohibit lifetime limits on the number of inpatient treatment days or outpatient visits under the plan.
- Protect individuals addicted to illegal drugs from being denied insurance coverage of treatment.
- Define “residential” as an inpatient benefit to assist with patients receiving treatment in community-based treatment centers.

In addition, the new parity law passed in September, 2015 enhances consumer protections relating to medical necessity decisions about care and medications. Act 99-480:

- Provides that no additional criteria may be used to make medical necessity determinations for substance use disorders besides the criteria established by the American Society of Addiction Medicine.
- Requires plans to make medical necessity/criteria and reasons for denial criteria available for review.

Both Federal and Illinois parity laws prohibit financial limitations (meaning deductibles, co-pays, coinsurance and out-of-pocket maximums can't be higher for or only imposed on mental health/substance use disorder benefits) and quantitative limitations (meaning plans can impose annual or lifetime day or visit limits on MH/SUD benefits if it has comparable limits on medical surgical benefits).

Additionally, both laws address other types of treatment limitations. These “non-quantitative treatment limitations” (NTQLs) must be “comparable to” and applied “no more stringently than” those processes used in applying limitations to medical/surgical benefits. **Illinois adopts the federal definition of a “non-quantitative treatment limitation”** which could be:

- Medical management standards limiting or excluding benefits based on medical necessity or medical appropriateness, or based on whether the treatment is experimental or investigative;
- Formulary design (relating to prescription drugs);
- Network tier design (such as preferred providers or participating providers);
- Standards for provider admission to participate in a network including reimbursement rates;
- Methods for determining usual, customary and reasonable charges;
- Refusal to pay for higher-cost therapies until it can be shown a lower cost therapy is not effective (i.e. fail first or step therapy protocols);
- Exclusions based on failure to complete a course of treatment;
- Restriction based on geographic location, facility type, provider specialty, and “other criteria that limit the scope or duration of benefits;” and
- Standards for providing access to out-of-network providers.

ENFORCEMENT

To achieve true parity, compliance needs to be monitored and the laws must be enforced. The new Illinois law clarifies enforcement authority, includes an interagency workgroup to collaboratively address issues related to behavioral health treatment and access and reinforces insured appeal rights. Specifically, 99-480:

- Requires the Department of Insurance (DOI) to enforce the requirements of State and Federal parity laws.
- Requires DOI in coordination with HFS and DHS to convene a working group of healthcare insurance carriers, mental health advocacy groups, substance abuse patient advocacy groups, and mental health physician groups for the purpose of discussing issues related to the treatment and coverage of substance abuse disorders and mental illness.
- Amends the Health Carrier External Review Act to require the written notice of the right to review to also include a copy of DOI's Request for External Review form.



ADDITIONAL RESOURCES

For Policymakers, Providers, Advocates and Consumers:

- ParityTrack www.paritytrack.org
- Parity Resource Guide www.paritytrack.org/get-support/parity-resource-guide
- Parity Implementation Coalition <https://parityispersonal.org/>
- Summary of Illinois Parity Laws
<https://www.paritytrack.org/reports/illinois-parity-report-overview/legislation>

FOR EMPLOYERS

Employer Guide for Compliance with MHAPEA—
<http://www.workplacementalhealth.org/ParityGuide15>

FOR HEALTH PLANS

URAC, an organization that accredits health plans, has a specific standard plan for parity compliance. <https://parityispersonal.org/answers/tools-for-employers/urac-standards>

TO FILE A CONSUMER COMPLAINT OR APPEAL:

In addition to appealing the benefit denial with your insurance company, you can also file a request for external review or a complaint with the Illinois Department of Insurance:

[https://insurance.illinois.gov/Complaints/file
consumer_complaints@ins.state.il.us](https://insurance.illinois.gov/Complaints/file_consumer_complaints@ins.state.il.us)
320 W. Washington Street, Springfield, IL 62767
(866) 445-5364

Federal Government Contacts:

For large group employer plans, contact US Department of Labor,
Employee Benefits Services Administration at (866) 444-3272

For non-federal governmental plan, contact the Centers for Medicare and Medicaid
Services, Health Insurance Hotline at (877) 267-2323, Ext. 6-1565 or phig@cms.hhs.gov