

MENTAL HEALTH PARITY

A SMART INVESTMENT WITH HIGH ROI

MAKING THE BUSINESS CASE



Treatment works for common conditions like **depression, anxiety and opiate addiction**.



Unlike coverage for other medical conditions, **people experience barriers to full insurance coverage** due to denials and medical management limits on mental health and substance use care.



Access to timely and effective care impacts employer costs, retention, disability rates, performance and productivity.

MENTAL HEALTH PARITY

WHAT IS IT?

Federal and state laws requiring that coverage offered for mental health and substance use conditions is **no more restrictive than coverage for other medical conditions**.



Parity laws apply in two areas:

Quantitative Treatment Limits (QTLs): numerical limits on the scope or duration of treatment, like...

- ✓ Co-payments and deductibles
- ✓ Annual or lifetime visits and hospital days allowed
- ✓ Maximum out-of-pocket limits

Non-Quantitative Treatment Limits (NQTLs): practices that limit the scope of care, duration of treatment and the medical management processes used to determine coverage, like...

- ✓ Preauthorization of treatment facilities, procedures, and prescription drugs
- ✓ Review of medical necessity
- ✓ Design of prescription drug formularies
- ✓ Standards for provider admission to health plan networks
- ✓ Reimbursement rates for providers
- ✓ Fail-first policies or step therapy protocols
- ✓ Written treatment plan requirements

WHO DOES IT APPLY TO?

- ✓ In general, health plans for employers with **51 or more employees**
- ✓ **Self-insured** employers and **third-party administrators**
- ✓ **Federal Employee Health Benefit (FEHB)** plan
- ✓ **State and local government health plans** unless they "opt out"
- ✓ Health plans purchased through the **Health Insurance Marketplaces**



BENEFITS OF PARITY

Ends discriminatory insurance practices, stigma and the implication that treatment for mental health conditions is less important than treatment for other medical conditions.



Ensures employers get what they paid for from their health plans or TPAs while ensuring employees receive timely, affordable and medically necessary care.



Avoids disruptions, delays and denials of care so people can get better and improve their overall health.

Avoids self-insured employers risking significant financial penalty for noncompliance with parity laws.



Supports an end to discriminatory insurance practices while showing an organizational commitment to the overall health and well-being of employees.



WHAT CAN EMPLOYERS DO TO SUPPORT EMPLOYEES AND ACCESS TO CARE?*

- ✓ **Use the Department of Labor's Self Compliance Tool** to determine whether your group health plan or health insurance issuer complies with parity laws and to create best practices for demonstrating your compliance.
- ✓ Assess your health plan or third-party administrator's (TPA) compliance with parity laws by using a **Model Data Request Form (MDRF)** developed to evaluate parity compliance.
- ✓ Examine the data collected in the MDRF and request an explanation of disparities, corrective action and a timeline for action from your health plan or TPA.
- ✓ Learn more about parity compliance from resources issued by the U.S. Department of Labor in the form of **FAQs** and **warning signs for NQTL violations**.

*To access the resources listed above, visit www.workplacementalhealth.org/parity

FOR MORE INFORMATION



**RIGHT
DIRECTION**

To learn more, visit
www.workplacementalhealth.org/parity

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Citations available upon request.