



SENATOR JIM BEALL

SB 11 Mental Health Parity

Issue

The Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA or Parity Law) promised equity in the insurance coverage of mental health and substance use disorder care, but years later mental health parity is still not a reality and too many Americans continue to be denied care when they need it the most. To fulfill the promise of the Parity law, we must hold health insurance plans accountable to comply with the letter and spirit of the law.

BACKGROUND

Under existing federal law, the MHPAEA, group health plans and health insurance issuers that approve both medical and surgical benefits and mental health or substance use disorder benefits to ensure that financial requirements and treatment limitations applicable to mental health or substance use disorder benefits are no more restrictive than the predominant requirements or limitations applied to substantially all medical and surgical benefits.

Existing state law subjects most individual and small group health care service plan contracts and health insurance policies that provide coverage for essential health benefits to those provisions of the MHPAEA.

California law requires the Department of Managed Health Care (DMHC) to conduct a routine medical survey of each licensed full service and specialty health plan at least once every three years. The DMHC may also perform an investigative medical survey as often as deemed necessary by the DMHC's Director. The medical survey is a comprehensive evaluation of the plan's compliance with the law in the following health plan program areas:

- Quality Assurance
- Grievances and Appeals (enrollee complaints)
- Access and Availability
- Utilization Management (referrals and authorizations)

- Overall plan performance in meeting enrollees' health care needs

When the survey is complete, the DMHC issues a Final Report that is publicly available. The DMHC may perform a Follow-Up Survey within 18 months of the Final Report for any uncorrected deficiencies.

During Phase 1 of the Department's compliance surveys, 25 health plans submitted information about their parity compliance policies. Phase 1 of the project was completed in April 2016. During Phase 2 of the compliance surveys, the Department conducted on-site reviews of the 25 commercial plans. The on-site reviews concluded in fall of 2017. Three preliminary reports have been issued for Health Net, Cigna and Molina.

While the remainder of compliance surveys are being awaited, especially in regard to the health plans' handling of non-routine mental health treatment requests. DMHC will likely issue a summary of aggregate findings of all the survey results sometime in 2019.

THIS BILL

This bill prohibits a mental health plan or insurer that provides prescription drug benefits for the treatment of substance use disorders from imposing any prior authorization requirements on FDA-approved prescriptions.

This bill also requires health plans and insurers to submit an annual report to the Department of Managed Health Care or the Department of Insurance to certify compliance with state and federal parity laws.

FOR MORE INFORMATION

Gregory Cramer
Office of Senator Jim Beall
(916) 651-4015
Gregory.Cramer@sen.ca.gov