

# *Bridging Data and Policy: Evaluating the Impact of Data*

## Mental Health Parity and Provider Reimbursement

Presented By:

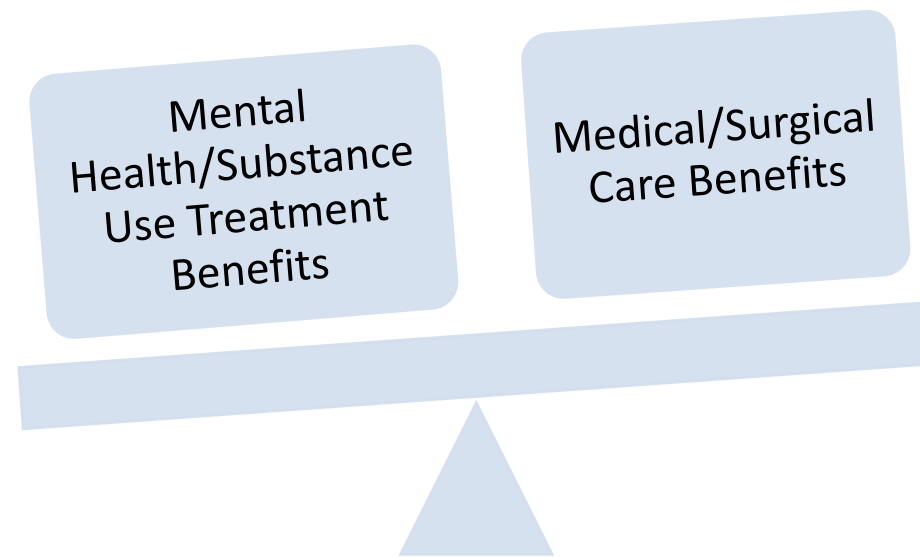
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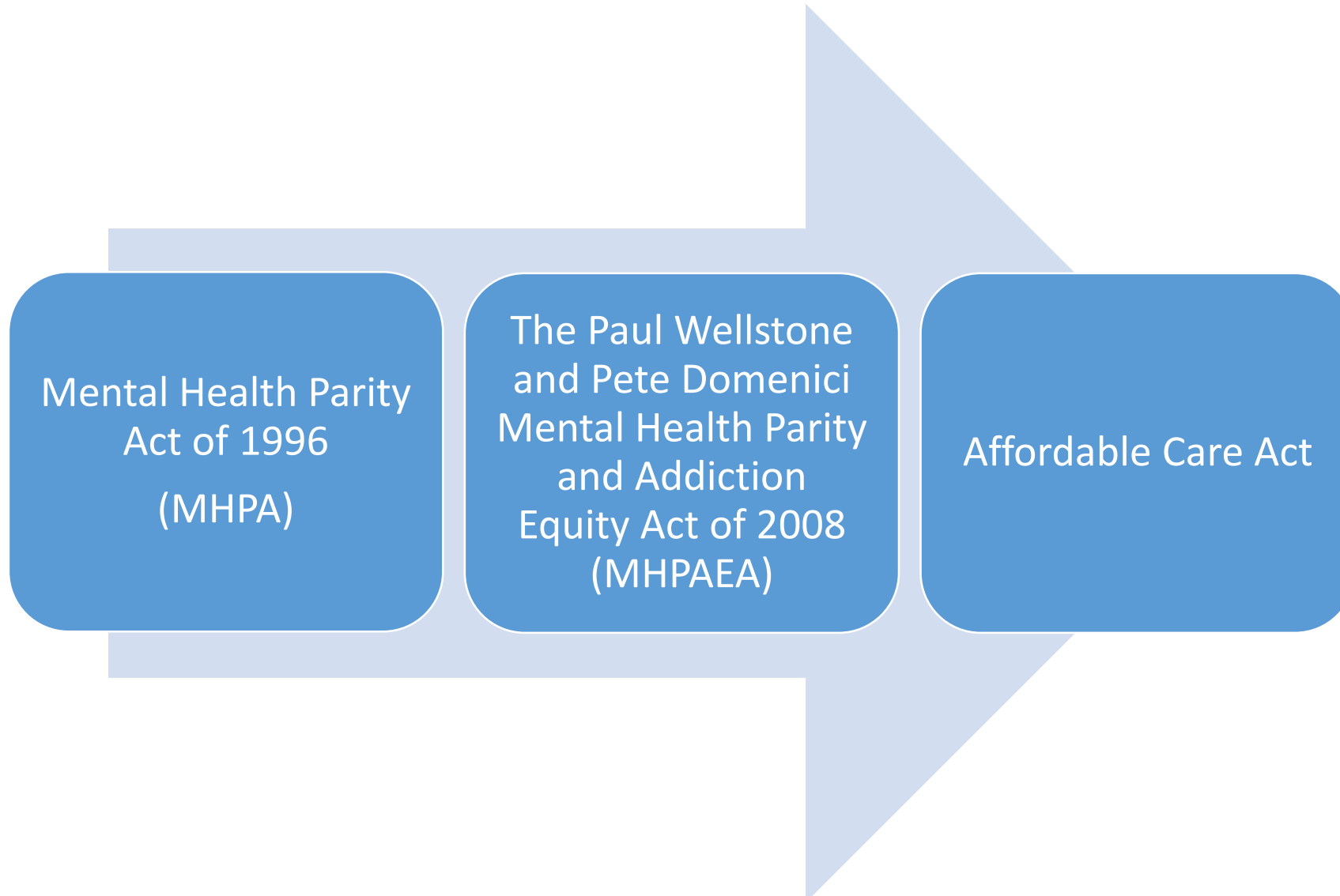


# Mental Health Parity

*Requires health insurers and group health plans to provide the same level of benefits for mental and/or substance use treatment and services that they do for medical/surgical care.*

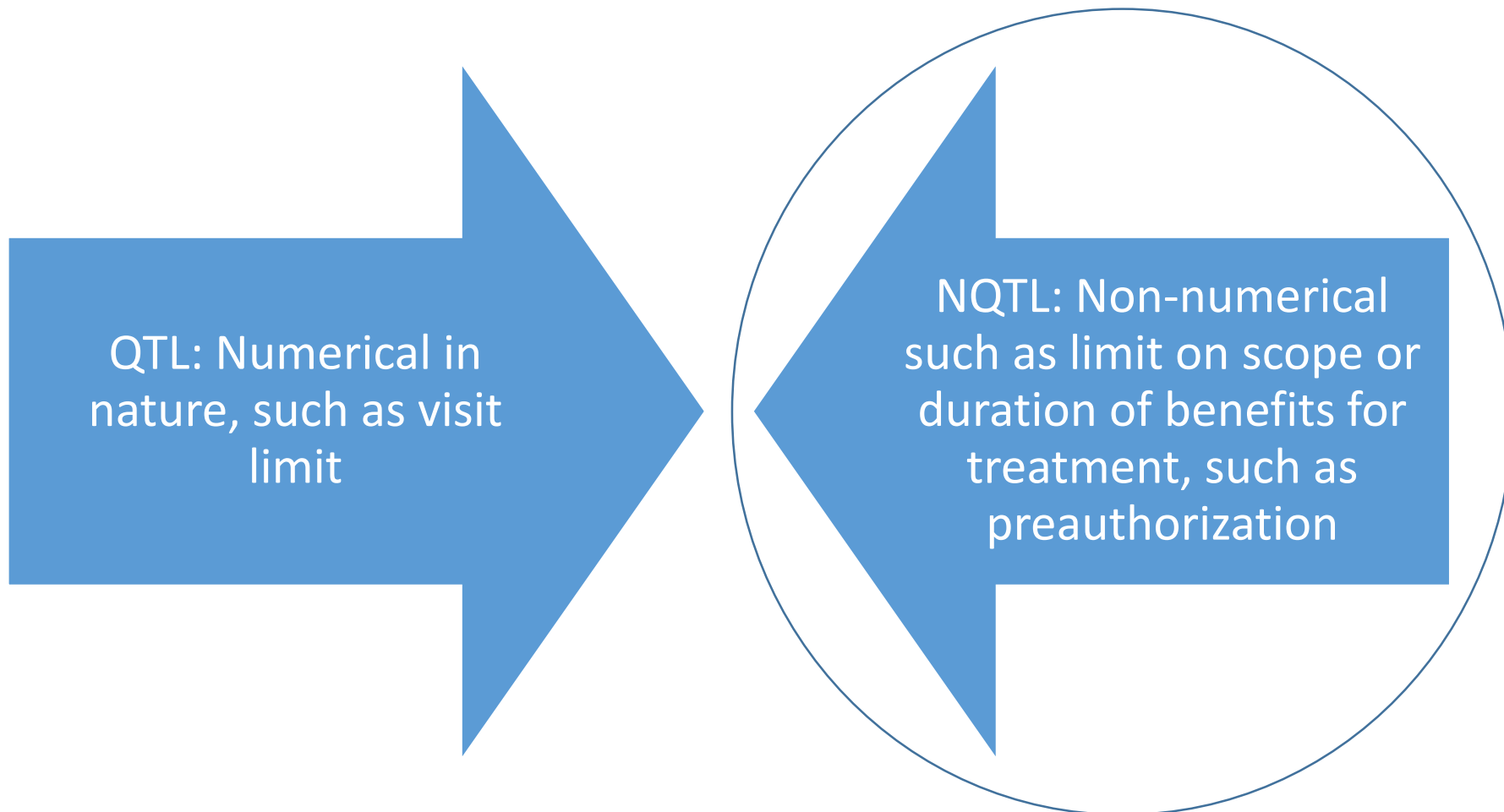


# Evolution of Mental Health Parity



# Quantitative Treatment Limit (QTL) versus Nonquantitative Treatment Limit (NQTL)

## Provider Reimbursement: QTL or NQTL?



# NQTL Test

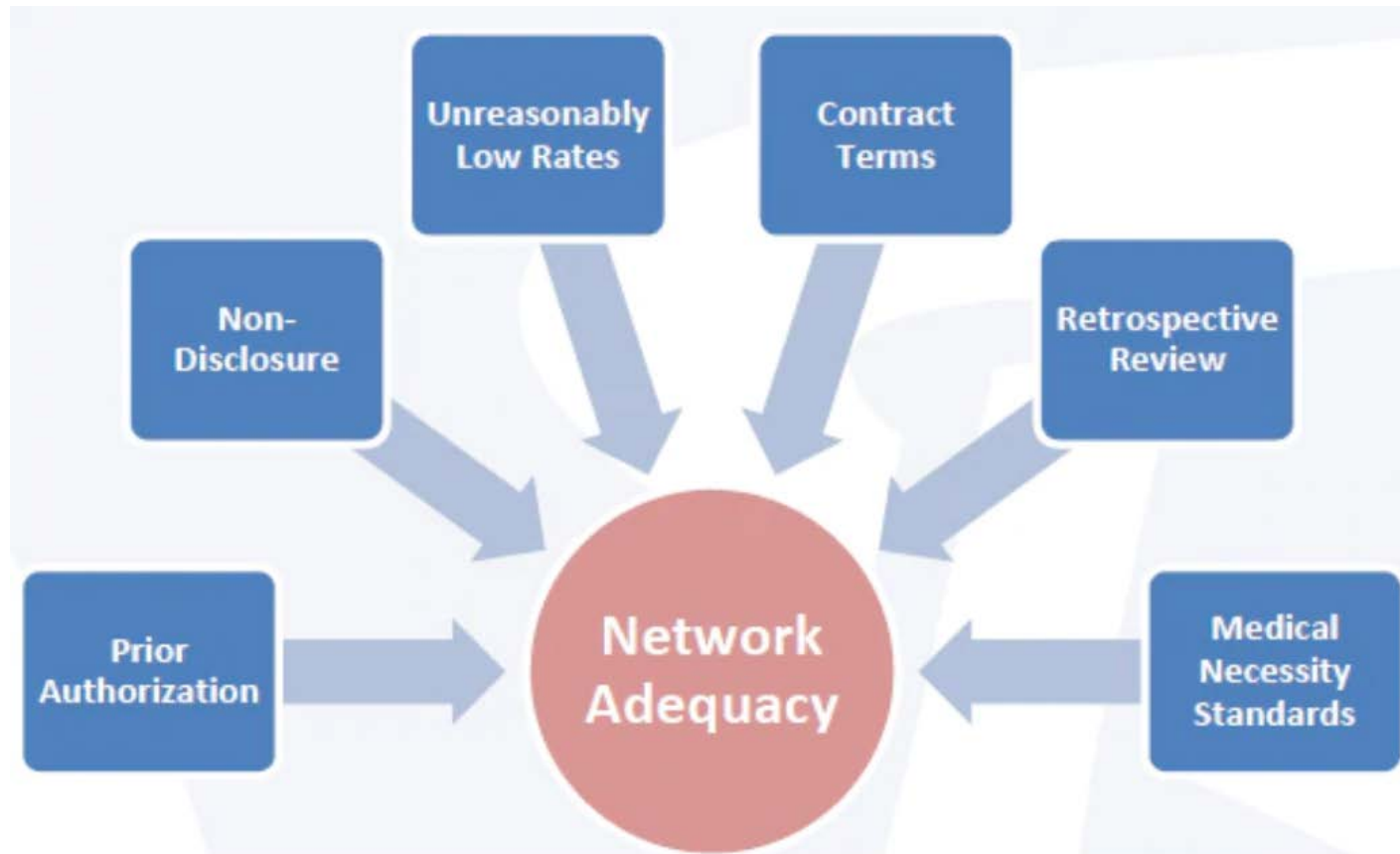
A plan or issuer may not impose an NQTL on Mental Health/Substance Use Disorder (MH/SUD) benefits unless, under the terms of the plan or coverage as written and in operation, any **processes, strategies, evidentiary standards**, or other factors used in applying the NQTL to MH/SUD benefits in a **classification** are **comparable to**, and are **applied no more stringently** than, those used in applying the limitation with respect to Medical/Surgical (M/S) benefits in the same classification.

# Examples of NQTLs

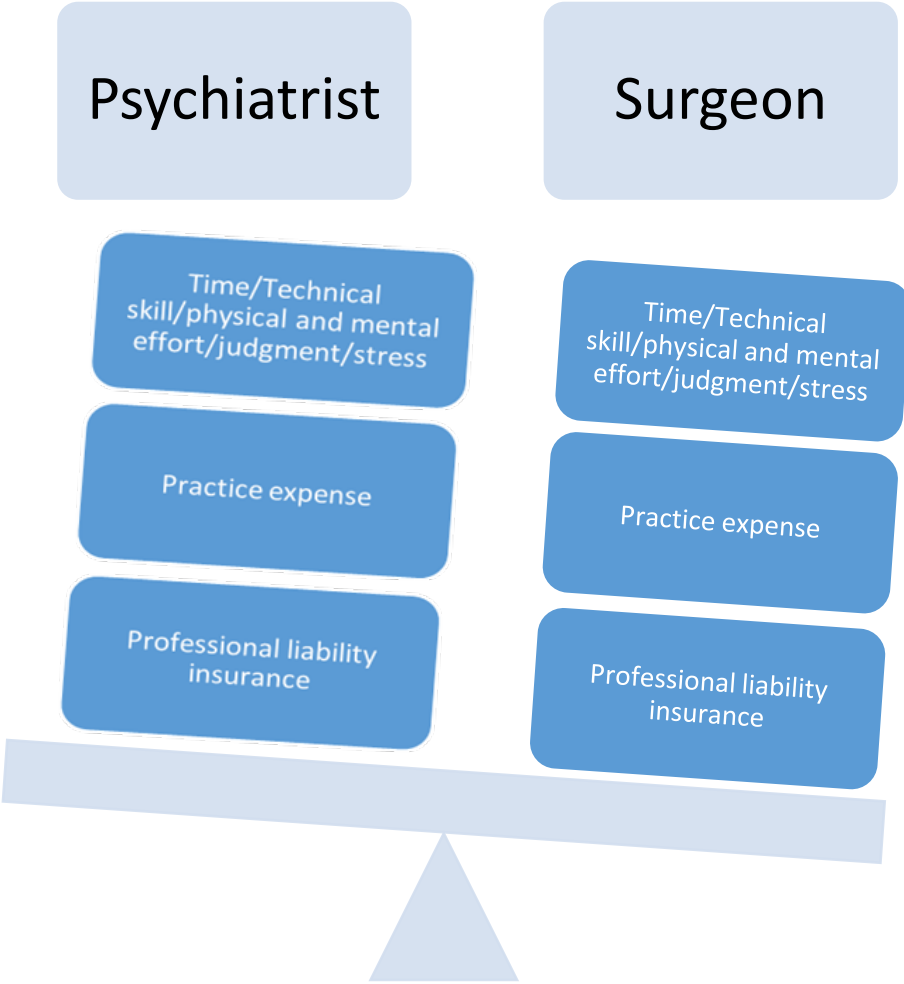
- Medical Management Standards
- Network Tier Design
- Standards for Provider Admission to Participate in Network
- Fail-First Policies or Step Therapy Protocols
- Exclusions Based on Failure to Complete a Course of Treatment

# Why Does Provider Reimbursement Matter?

- Network adequacy/access to providers
- Quality of providers



# Comparing Reimbursement: Psychiatrist Versus Surgeon Considerations





# Medicare Reimbursement Systems

- Developed using a highly detailed, scientific process
- Updated regularly to be resource-based
- Developed consistently across all specialties and services
- Expected to be similar to the prices that would be paid in competitive market in which prices reflect resource requirement
- Developed in a way that is consistent with NQTL requirements

# Project Example: Carrier Inpatient Findings

Inpatient Episode Type	Commercial	Commercial-to-Medicare Payment Ratio	
	Allowed Medical Expense	Weighted Average	Median
Acute Physical Health Inpatient	\$ 60,000,000	2.8	2.2
Inpatient Psychiatric	\$ 4,000,000	1.3	1.1

# Project Example: Carrier Professional Services Findings

Professional Specialty	Commercial	Commercial-to-Medicare Payment Ratio	
	Allowed Medical Expense	Weighted Average	Median
Allergy & Immunology	\$ 500	1.0	1.1
Colon & Rectal Surgery	\$ 250,000	1.7	1.9
Dermatology	\$ 1,000,000	1.5	1.4
Evaluation and Management	\$ 37,000,000	1.6	1.6
Gastroenterology	\$ 1,600,000	1.9	2.0
Neurological Surgery	\$ 450,000	1.6	1.9
Neurology	\$ 98,000	1.9	2.0
Obstetrics & Gynecology	\$ 4,000,000	1.6	1.5
Psychiatry	\$ 4,700,000	1.0	1.0
<i>MD/DO</i>	\$ 120,000	1.2	1.3
<i>MSW</i>	\$ 1,200,000	1.0	1.0
<i>Other</i>	\$ 1,800,000	1.0	1.0
<i>Psychologist</i>	\$ 1,500,000	1.0	0.9
Surgery	\$ 2,300,000	1.6	1.6

# Do Disparate Results = Noncompliance with Mental Health Parity?

- Disparate results shift the burden of proof of compliance to Carrier (must show compliance with NQTL test)
- Final Rule states that carriers may consider a wide array of factors in determining provider reimbursement rates for both M/S services and MH/SUD services, such as:
  - Service type
  - Geographic market
  - Demand for services
  - Supply of providers
  - Provider practice size
  - Medicare reimbursement rates
  - Training, experience of providers
- These factors must be applied comparably to and no more stringently than those applied with respect to M/S services
- Documentation needed to demonstrate that a process was carried out that would pass the NQTL test

# Project Example: Next Steps

- ✓ Policy and procedure review
- ✓ Request documentation of how the factors were applied
  - Analytical framework/formula used for various scenarios (for both M/S and MH/SUD)
    - Fee schedule development
    - Negotiation with providers

## ***Dig deeper....***

For example, if the Carrier reports it adjusts rates for market supply issues

- Compare supply of MH/SUD providers to M/S specialties
- Compare out-of-network utilization rates for MH/SUD providers to M/S specialties
- Compare wait times for appointments for MH/SUD providers to M/S specialties

# Conclusion



- *Provider Reimbursement is an evolving topic*
- *National Association of Insurance Commissioners has recently provided additional guidance*
- *Important for mental health parity and has far-reaching implications*
- *Remember core principle of equal access*

# Questions?



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