Proponent Testimony
SB 254 – Mental Health Parity

Presented by Megan Testa, MD, President-Elect
Ohio Psychiatric Physicians Association
to the Senate Insurance and Financial Institutions Committee

Chair Hackett, Vice Chair Hottinger, Ranking Member Craig, and members of the Senate Insurance and Financial Institutions Committee, my name is Dr. Megan Testa. I am the President-Elect of the Ohio Psychiatric Physicians Association (OPPA), a statewide medical specialty organization representing more than 1,000 physicians who specialize in the diagnosis, treatment and prevention of mental illnesses, including substance use disorders. I work in Cleveland, Ohio, where I work with patients with a wide variety of mental health and substance use diagnoses, many who have dual-diagnosis.

I appreciate the opportunity to provide testimony on Senate Bill 254 today on behalf of the OPPA.

As you may know, the Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) states that health insurers must provide coverage for the treatment of mental health and addiction that is equal to the coverage provided for physical illnesses and conditions. My colleagues across the state and I are working hard to help our patients. We work long and busy days due to rising death tolls from the concurrent opioid and suicide epidemics. Unfortunately, our patients are often faced with barriers when they attempt to use their insurance to obtain the treatments that we prescribe, because our specific state law in Ohio does not fully guarantee mental health parity and many Ohioans thus slip through the cracks. SB 254 would require health benefit plans to comply with the MHPAEA, ensuring parity between standard medical benefits and mental health benefits if mental health benefits are offered under a plan, and it is a much needed reform for our state.

There are several fixable problems that currently exist in Ohio regarding insurance coverage for people with mental illness and substance use disorders. Current public mental health crises demand that the state fix these problems to bring our state law into compliance with the Federal Parity Act. Full parity between mental health and substance use disorder benefits and other medical benefits is a vital tool in protecting vulnerable Ohioans, stemming the tide of these

crises, and controlling the health care costs created by untreated mental illness and substance use disorders.

First, although the Federal Parity Act was passed to end insurance discrimination by ensuring that mental illnesses and substance use disorders were not excluded from coverage, Ohio law continues to permit plans to exclude mental illness from coverage by requiring coverage only for a handful of mental health diagnoses, which have arbitrarily been labeled "biologically based." This is out of touch with medical science as all mental illnesses are brain disorders, and it is not in line with the intention of the Federal Parity Act. As you can imagine, this leaves far too many Ohioans who need help vulnerable.

Second, although the Federal Parity Act requires that insurance plans offer the same level of treatment to the mental health diagnoses that they cover as they do to physical health diagnoses that they cover, we still see many areas in which patients with mental illness and substance use disorders face insurance limitations that people with physical health diagnoses do not. An important example of this is the practice of quantitative limits on physician office visits and hospital stays. The plans that many patients have in Ohio, even when they have chosen plans specifically because they afford mental health benefits, have arbitrary rules stating how many physician visits they will cover for treatment of a mental health condition. Because of this, an outpatient physician who sees a patient frequently because of illness exacerbation may be denied payment for a claim and told that they have already seen the patient for the allowable number of times that year. An inpatient physician who is treating a patient who was doing poorly enough to be hospitalized for their mental illness may be denied payment for hospital days subsequent to an arbitrary cut off number. These denied claims, as well as prior authorization requirements and other administrative burdens, are reimbursed for behavioral health specialists nearly 25% less than for primary care. This all results in poor care for patients, and frequently, in lack of access to care as more and more physicians opt out of insurance panels because they will not practice under limitations that they know will result in substandard care.

What this all means is that purchasers of medical insurance in Ohio that offer benefits for mental health and substance use disorder are paying for benefits they are not able to receive. Too many working Ohioans who have health insurance benefits for mental health and substance use disorder for either themselves or a loved one, are basically throwing their money away (as are employers) because services that they need and believe are covered are denied by the health plans, or because of lack of access to physicians who treat mental illness and substance use disorders due to lack of participation in health plan networks.

Ultimately, because of these barriers and others, if individuals are not able to access the mental health and substance use disorder coverage they (or their employer) have paid for we begin to

see more and more individuals experiencing untreated mental illness. If left untreated, these individuals will likely end up losing their jobs. Without employment, they become a part of the public mental health system, which increases the State's Medicaid costs. Or, worse, they become one of a growing number of individuals who die by suicide in our state. SB 254 requires health benefit plans to comply with the MHPAEA, expanding covered diagnoses and ensuring parity between standard medical benefits and mental health benefits if mental health benefits are offered under a plan.

Finally, with the system working as it does currently, state regulators and consumers do not get any information with which to assess whether the plan is satisfying parity requirements. Ohio's insurance standards allow for noncompliance with the federal Parity Act by letting private health plans limit the scope of benefits covered for specific mental health conditions or substance use disorder, put in place annual dollar limits and other financial requirements, and implement non-quantitative treatment limitations (different authorization standards for approval and re-authorization of treatment, as an example).

In addition to strengthening the parity statute in place in Ohio, SB 254 gives regulators a better means to enforce parity with various reporting requirements. These will create a more transparent and accountable environment for all parties involved and prevent discrimination against patients with mental health or substance use disorder needs and are essential to proper parity enforcement in Ohio.

In a fair and efficient marketplace, insurers are obligated to comply with parity requirements in their plan designs before selling these plans to consumers, and SB 254 merely codifies this basic consumer protection. Currently, consumers are burdened with the responsibility of identifying noncompliance and filing complaints with state agencies if they suspect parity noncompliance. Not only do consumers lack the information needed in order to submit a meaningful complaint, but these are patients in dire need of life-saving health care who often, and understandably, may not have the capacity to fight for their legal rights.

The bill would require that plans subject to the MHPAEA report to the Superintendent of Insurance or Department of Medicaid annually on parity compliance, including details of the process for developing medical and clinical necessity criteria for mental health, substance use disorder, and medical and surgical benefits. SB 254 would also require the Superintendent of Insurance to produce an annual report on the enforcement of the MHPAEA, and the Department of Medicaid to produce a biennial report on MHPAEA compliance.

Putting these reporting requirements in place creates more of a much-needed balance for the benefit of Ohio's citizens shopping for health plans or seeking medical help for mental health

conditions or substance use disorders. This legislation adopts a path laid out by the U.S. Department of Labor for parity compliance, following in the footsteps of that many other states have taken in recent years.

I urge the committee to support SB 254 in order to bring Ohio's laws into compliance with the Federal Parity Act. As psychiatric physicians we are relying on the state of Ohio to do everything in your power to make Ohio a leader in parity enforcement so that we are able to provide patients with the care they need and they are able to actually receive it.

Chair Hackett, this concludes my testimony for today. Thank you for your consideration and I would be happy to entertain any questions the committee may have at this time.