



Author: Dakota Thomas



Approaches to Data Collection and Analysis: Mental Health Insurance Parity

Historically, health insurance in the U.S. did not cover mental health to the same degree it covered physical health. Mental health insurance parity (which refers to equality in mental and physical health coverage) has been a target of [policy efforts for years](#). Federally, the 2008 Mental Health Parity and Addiction Equity Act requires insurers to cover mental health the same way they cover physical health. The Patient Protection and Affordable Care Act (ACA) of 2010 expanded these requirements to small group and individual health plans, mandating behavioral health services be covered as an essential health benefit. However, despite these federal parity requirements, issues of access remain, and state leaders should consider initiatives that move the health insurance system in their states toward functional parity. Parity ensures equitable treatment for mental health needs and reduces state budget stress by reducing costly and late interventions. To implement effective policy interventions to address mental health insurance parity, state leaders should consider these best practices to ensure effective analytical tools and metrics are in place to gauge success.

State leaders may consider funding research on effective policy interventions to better understand and address mental health insurance parity.

State leaders have an essential role to play in making mental health insurance parity a reality. Policymakers may focus on initiatives for which there is solid pre-existing evidence. Policies and regulations should include efforts to strengthen scientific understanding of mental health insurance parity using methodical, standardized research designs whenever possible.

[Parity laws and regulations are effective](#), with evidence showing an [increase access to mental health care](#), [financial protection to consumers](#), and [increased treatment for substance use disorders](#), among other benefits. For example, research on the [Mental Health Parity and Addiction Equity Act \(MHPAEA\)](#) demonstrated increases in monthly spending per member for insurance plans, more plan spending, a greater number of assessment/diagnostic evaluation visits, and increased individual psychotherapy visits. Another [study showed similar positive impacts](#) for substance use disorder, including increased individual and group psychotherapy visits and more days in treatment overall. Stronger and more comprehensive policies [yield greater results](#).

In particular, greater efforts should be considered to understand and address the following issues related to **mental health insurance parity**:

- Define mental health and substance use disorders that must be covered for treatment to include all disorders in the **Diagnostic and Statistical Manual of Mental Disorders (DSM)** and/or **International Classification of Diseases (ICD)**, with no exclusions.
- Adopt or expand state laws requiring mental health insurance parity, with strong monitoring and enforcement mechanisms.
 - Embed strong parity protections in state law that include minimum criteria for regulatory agencies to enforce, with transparency and accountability in enforcement and continuity. Criteria for ensuring parity with physical health insurance coverage should keep in mind both **quantitative** (e.g. limiting the number of allowable visits to a provider) and **nonquantitative** (e.g. requiring preauthorization for mental health treatment) limits.
 - Require state regulatory agencies to conduct market examinations and submit data and reports demonstrating adequate enforcement; and conduct regular network adequacy assessments (see below for additional details on these tools).
 - Require all health benefit plans submit regular (e.g. annual) analyses demonstrating compliance with relevant laws and third party oversight, and make the results of these reports available to the public.
- Use the collected data and reports to regularly assess the success of regulations on parity to evaluate existing efforts and inform future changes.

State leaders could base new policies and expanded regulation on previous policy interventions that are promising best practices.

Examples of **policy tools that address mental health insurance parity** with preliminary evidence of positive impact include¹:

- **Market Conduct Examinations** – carried out by state insurance regulators to assess whether health insurers' operations, practices, plans, and policies are compliant with federal and state laws and regulations to approve the insurer's authority to issue insurance within the state.
- **Network Adequacy Assessments** – conducted by regulators to determine whether providers contracted by the plan or policy to provide mental health and substance use disorder services have capacity sufficient to serve the beneficiary population, as determined by federal and state requirements.
- **Open Communication** – when utilized among state regulators, state insurance carriers, and federal regulatory bodies will maximize effectiveness. Making sure that any existing state parity regulations align with and complement federal rules requires early involvement with federal agencies to facilitate understanding of the law. Collaboration with relevant stakeholders such as state health and behavioral health departments, consumers, advocacy groups, providers, and other state agencies also is beneficial.
- **Standardized Reporting Processes** – by-state regulators can facilitate the development of standardized materials that foster a shared understanding of the terminology among all stakeholders. This helps ensure consistency in the use of terms and language, as well as benefits and coverage limitations. State regulators can use of templates, workbooks, and other tools designed to ensure parity compliance in the form filing process and for carriers' internal processes. Regulators can create materials to educate carriers and consumers and materials to standardize data submission from carriers during the form filing process.

¹ Note that these practices have not been evaluated in a randomized controlled trial (RCT), and therefore their effectiveness or level of impact cannot be confirmed.

State leaders may integrate data collection from the outset of a program and data should be used throughout implementation to monitor and evaluate effectiveness.

Program monitoring and evaluation may use standard and well-supported metrics to evaluate mental health insurance parity and measure the impact of interventions. This allows for better impact evaluation and using standard approaches to measurement across multiple programs enables comparisons among programs. For example, mental health parity efforts by states have been measured and ranked based on the [Statutory Coding Instrument](#) used by ParityTrack. This instrument measures state policies based on the following criteria:

1. Is there statutory language stating that coverage provided for Mental Health/Substance Use Disorder (MH/SUD) services must be on the same terms and conditions as it is for other medical coverage?
2. Is there statutory language mandating that health insurance/benefit plans cover or offer to cover some or all MH/SUD treatment services?
3. To which types of health insurance/benefit plans do the relevant parity sections of state law apply?
4. Are different types of plans required to cover MH/SUD services in the same way?
5. How are mental health conditions and/or substance use disorders defined in state statutes?

To view the full instrument and state “report card” scores, please see [here](#).

State leaders may consider issues of data availability and coordination in the overall response to mental health insurance parity.

Policymakers can set aside resources to fund state-level data collection efforts, giving a clearer picture of the problem at the state level. Tracking compliance with mental health insurance parity



requirements is critical for evaluating enforcement and requires active investment from state regulators. Using market conduct examinations, network adequacy assessments, and standardized reporting processes creates high quality data that can be used to evaluate the impact of parity laws/regulations.

Policymakers may **consider creating a dedicated state agency** or other permanent structure to coordinate the state’s efforts at increasing mental health insurance parity; centralize evidence; standardize data collection and information sharing, resources, and training; conduct evaluations; and recommend best practices in order to improve on previous efforts.

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