Addiction and mental health vs. physical health:
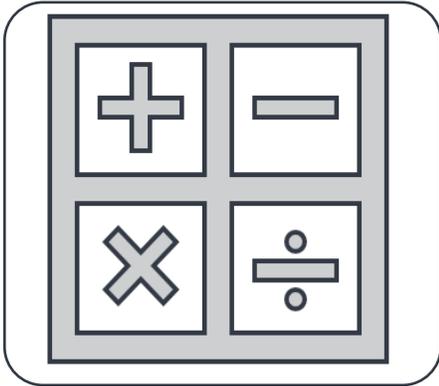
Widening disparities in network use and provider reimbursement

Stoddard Davenport, MPH

MARYLAND INSURANCE ADMINISTRATION

NOVEMBER 2020

Milliman

MHPAEA primer – QTLs and NQTLs

Quantitative treatment limitations (QTLs)

- Financial requirements (copays, coinsurance, deductibles)
- Benefit limits (visits, dollars)
- **Black and white mathematical tests**: the "predominant" level for "substantially all" medical/surgical care can be applied to behavioral care
- Comparatively easier to evaluate, demonstrate compliance
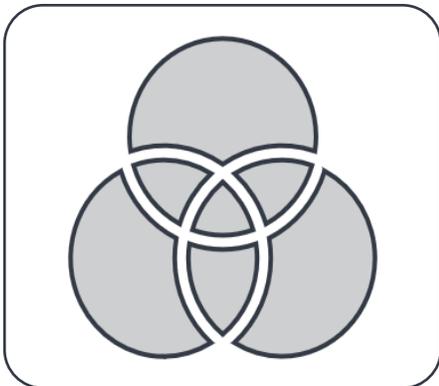
Nonquantitative treatment limitations (NQTLs)

- Any other processes, standards, policies, etc. that limit behavioral care.
- Examples: prior authorization, medical necessity criteria, step therapy, provider payment rates, utilization management criteria, etc.
- **Gray area**: Limitations for behavioral care should be "comparable to and no more stringent than" those applied to medical/surgical care, both "as written" and "in operation"

2019 report: measuring disparities in network access and provider payments

Study of claims data from 37 million employees and their dependents covered by PPO plans from 2013-2017 reflect widening disparities between physical and behavioral healthcare.

- **Out-of-network use:** disparities in Out-of-network use between medical and behavioral health consumers

- **Reimbursement rates:** disparities in payment levels between medical and behavioral health providers

Commissioned by Mental Health Treatment and Research Institute LLC, a not-for-profit subsidiary of The Bowman Family Foundation.

Milliman

2019 report: Network access disparities

- Use of inpatient out-of-network care for behavioral health worsened from 2.8 times (280%) more likely than for physical health in 2013 to 5.2 times (520%) more likely in 2017—**an 85% increase**.

- Out-of-network disparities for **all levels of care worsened from 2013 to 2017**.

- Use of out-of-network office visits for substance use care was **9.5 times (950%) more likely** than for primary care in 2017.

- In 2017, a child's use of out-of-network office visits for behavioral healthcare was **10.1 times (over 1000%) more likely** than for primary care.

Milliman

Network access – trends from 2013 through 2017

Higher proportion of out-of-network care for behavioral vs. medical/surgical in commercial PPO plans, 2013-2017

Legend: ■ 2013-2015 (years included in prior report) ■ 2016-2017

Milliman

5
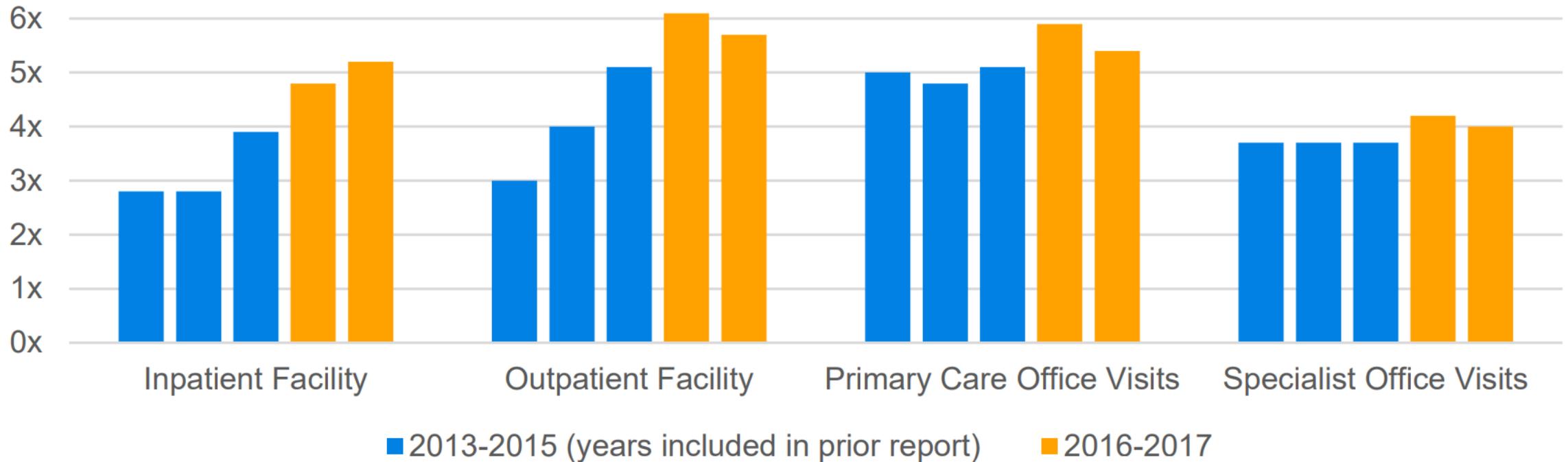
2019 report: provider payment disparities

- In 2017, primary care office visit reimbursement rates were on average **23.8% higher** than behavioral health office visit reimbursement rates compared to Medicare fee schedule amounts.

- During the five-year period (2013-2017) average reimbursements remained **below Medicare allowed amounts**.

- Disparities in substance use office visit reimbursement rates were lower than mental health.

Source: Melek S, Davenport S, Gray, TJ. Addiction and mental health vs. physical health: Widening disparities in network use and provider reimbursement. Milliman, November 2019. http://assets.milliman.com/ektron/Addiction_and_mental_health_vs_physical_health_Widening_disparities_in_network_use_and_provider_reimbursement.pdf

Milliman

Provider payment rates – trends from 2013 through 2017

Office visits – in-network provider payment level differences compared to Medicare-allowed amounts

Source: Melek S, Davenport S, Gray, TJ. Addiction and mental health vs. physical health: Widening disparities in network use and provider reimbursement. Milliman, November 2019. http://assets.milliman.com/ektron/Addiction_and_mental_health_vs_physical_health_Widening_disparities_in_network_use_and_provider_reimbursement.pdf

Provider payment rates – trends from 2013 through 2017

Office visits - percentage higher in-network reimbursement for primary care providers and medical/surgical specialists compared to behavioral providers in commercial PPO plans, 2013-2017

Percentage higher to PCP　　Percentage higher to M/S Specialist

■ 2013-2015　　■ 2016-2017

Milliman
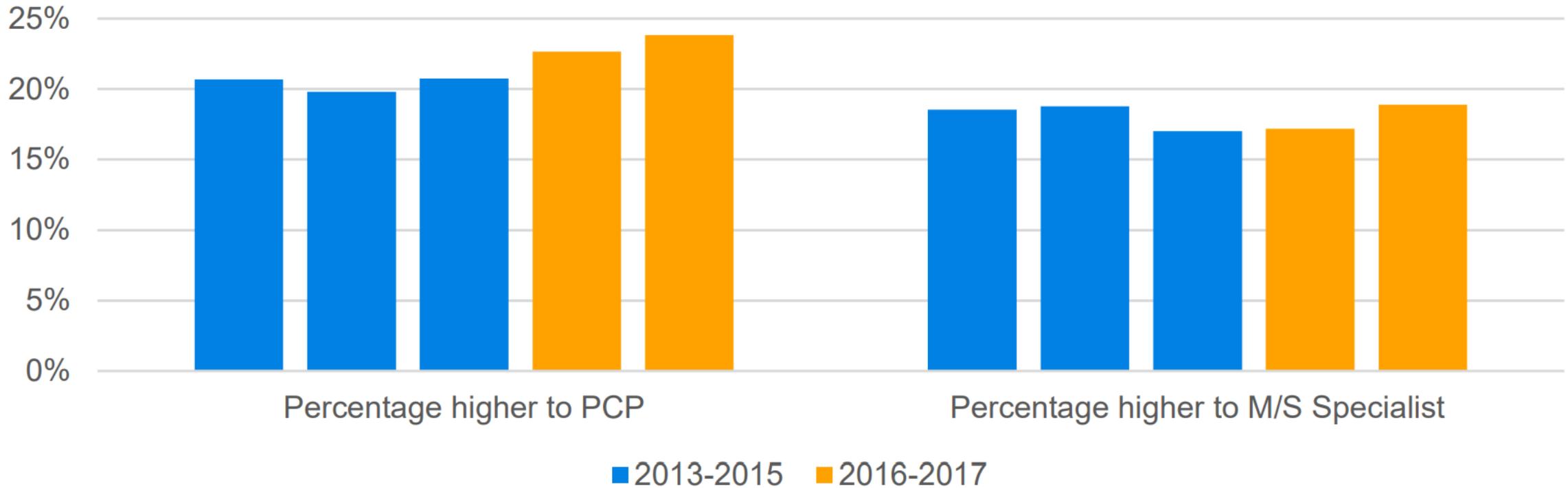
2019 report: spending on behavioral health as a percentage of total healthcare spending

- Spending for mental health treatment (excluding prescription drugs and substance use) ranged between **2.2% and 2.4% of total healthcare spending** during the five-year period.

- Spending for substance use disorder treatment (excluding prescription drugs and mental health) ranged from **0.7% to 1.0% of total healthcare spending** during the five-year period.

Source: Melek S, Davenport S, Gray, TJ. Addiction and mental health vs. physical health: Widening disparities in network use and provider reimbursement. Milliman, November 2019. http://assets.milliman.com/ektron/Addiction_and_mental_health_vs_physical_health_Widening_disparities_in_network_use_and_provider_reimbursement.pdf

Milliman

2019 report: Maryland

- 31.7% of behavioral health office visits were out-of-network in 2017 —**10 times more likely** than for primary care, a disparity of nearly twice the national average, and **4th worst** in the nation

OFFICE VISIT ACCESS

Higher out of network for behavioral health office visits compared to primary care.

	2013	2015	2017
NATIONAL	5.04 x	5.09 x	5.41 x
MARYLAND	7.95 x	9.02 x	10.00 x

Milliman

2019 report: Maryland

- 20.2% of behavioral health inpatient use was out-of-network in 2017 – increasing from **5.5 to 9.3 times more likely** than for physical health from 2013 to 2017, a disparity nearly twice the national average.

⟫ INPATIENT FACILITY ACCESS

Higher out of network for behavioral health inpatient compared to medical/surgical.

	2013	2015	2017
NATIONAL	2.83 x	3.85x	5.24 x
MARYLAND	5.50 x	5.60 x	9.35 x

Milliman

2019 report: Maryland

- 28.2% of behavioral health outpatient facility use was out-of-network in 2017, increasing from **2 to 3.6 times more likely** than for physical health from 2013 to 2017.

»» OUTPATIENT FACILITY ACCESS

Higher out of network for behavioral health outpatient facility compared to medical/surgical.

	2013	2015	2017
NATIONAL	2.97 x	5.09 x	5.72 x
MARYLAND	1.96 x	3.55 x	3.66 x

Milliman

2019 report: Maryland

- Reimbursement: Behavioral health providers **received 18% less than primary care doctors** relative to Medicare allowed levels for similar billing codes.

OFFICE VISIT REIMBURSEMENT

Higher office visit reimbursement for primary care compared to behavioral health.

	2013	2015	2017
NATIONAL	20.70%	20.80%	23.80%
MARYLAND	23.20%	27.20%	18.20%

Milliman

Takeaways

- Disparities in network use and provider payment rates between behavioral and physical healthcare services are substantial and have been widening in recent years.

- These disparities are not isolated to one part of the care continuum or to one part of the country.

- Disparate results do not by themselves constitute non-compliance with MHPAEA but may indicate areas that warrant further inspection.

- Tools such as the Six-Step Parity Compliance Guide[1] and the Department of Labor's Self-Compliance Tool[2] outline a stepwise comparative approach that can be used to assess compliance for NQTLs.

1 - Six-Step Parity Compliance Guide: https://s3.amazonaws.com/pjk-wp-uploads/www.paritytrack.org/uploads/2017/09/six_step_issue_brief.pdf
2 - DOL Self-Compliance Tool: https://www.dol.gov/sites/dolgov/files/EBSA/laws-and-regulations/laws/mental-health-parity/self-compliance-tool.pdf

Milliman