



HB 455 – Health Insurance – Coverage for Mental Health Benefits and Substance Use Disorder Benefits – Treatment Criteria

Health and Government Operations

February 20, 2020

POSITION: Favorable

The Maryland Coalition of Families: Maryland Coalition of Families (MCF) helps families who care for someone with behavioral health needs. Using personal experience as parents, caregivers and other loved ones, our staff provide one-to-one support and navigation services to parents and caregivers of young people with mental health issues and to any loved one who cares for someone with a substance use or gambling issue.

MCF held focus groups with families who were caring for a youth or young adult with a substance use disorder. The majority of these families had a young adult with an opioid use disorder. When asked what were the greatest obstacles they encountered when trying to access help for their child, by far the most frequent response was limited insurance coverage, and being overwhelmed by out of pocket costs. We heard numerous instances of insurance parity violations:

- Although a licensed provider, having performed an assessment, determined that an individual needed residential treatment, the insurer would initially only pay for outpatient treatment, requiring that the individual “fail first” at the outpatient treatment before the insurer would authorize residential treatment.
- While an individual was in residential treatment, the insurer required a medical necessity determination every few days in order to authorize more days of treatment. Even when the treatment provider’s physician reported that the individual needed more days of residential treatment, the insurer refused to cover additional days because their reviewer determined that the individual was ready to be discharged.
- While an individual was in residential treatment, the insurer required a medical necessity determination every three days in order to authorize more days of treatment. Some residential providers will not accept an individual for residential treatment unless they know that they will be able to work with them for a set period of time, so this insurance practice of only approving a few days of treatment at a time prevents people from being accepted into many treatment facilities.

Given that Maryland remains in the midst of an opioid overdose epidemic, these insurance practices are putting people’s lives at risk.

Caregivers of children with mental health disorders too experience parity violations. While some (but not all), insurers will cover up to 30 days in a Maryland Residential

Treatment Center, again they will only authorize 3-5 days at a time. If the child is still in an RTC after 30 days, they become eligible for Maryland Medicaid as a family of one, and the state, not the insurer, picks up the remaining tab. Families experience relief at this point - children usually stay in Maryland RTCs for six to nine months, covered by Medicaid.

In all of these cases, families did not know that they were experiencing a violation of insurance parity. Families are not experts in insurance law, and especially when they are in the middle of a crisis, they are not in a position to do research on the fine points of insurance parity requirements. Putting the onus on families to identify and prove a parity violation is simply not fair – the onus should be on the insurance companies to show that they are in compliance with the laws. HB 455 would put this requirement in place.

Therefore we urge a favorable report on HB 455.

Contact: Ann Geddes
Director of Public Policy
The Maryland Coalition of Families
10632 Little Patuxent Parkway, Suite 234
Columbia, Maryland 21044
Phone: 443-741-8668
ageddes@mdcoalition.org