Maryland-DC Society of Addiction Medicine

A Chapter of American Society of Addiction Medicine

SB 334: Health Insurance - Coverage for Mental Health Benefits and Substance Use Disorder Benefits - Treatment Criteria Senate Finance Committee. February 19th 2020

SUPPORT

This law is needed to require carriers to report compliance with parity laws proactively, in a standardized manner, and with meaningful penalties for the non-compliance we have seen year after year, eleven years after the parity law was enacted.

Allowing carriers to remain out of compliance for so many years exacerbates the epidemic of overdose deaths, of increasing suicide rates, and of suffering from severe but treatable mental health disorders that affect whole families including children, much of which should have been prevented.

Penalties by the MIA have been embarrassingly low; they are clearly just a cost of doing business.

The grand total of all of the penalties for all carriers since the first 2014 compliance survey is a paltry $62,475. The only fines were **$25,000** for Cigna, another **$9,000** for Cigna, **$24,975** for CareFirst, and **$2,000** for United, and **$1,500** for Aetna.

The first survey revealed 6 parity violations. There were 6 administrative orders, **but only one fine against Cigna.**

Aetna had no in-network psychologists in all of 4 counties of Western Maryland, and no in-network psychotherapists in Garrett County. Coventry had no in-network methadone treatment centers in the state; Aetna had only two in the state. **There were no fines.**

CareFirst had no in-network methadone treatment programs across the State. A $30,000 penalty was retracted after CareFirst reached an agreement with the MIA.

For the second survey, some carriers reported that they did not have any in-network outpatient facilities for opioid use disorder and bipolar disorder in some counties, or any intensive outpatient programs for these conditions in some counties. Some cases carriers simply reported that there were no such providers willing to contract (under the terms that were offered). **There were no fines.**

For the third survey, many carriers were unable to produce written policies or reports of required annual review of internal policies and procedures for parity compliance. **There were no fines.**

The list goes on.

But California fined Kaiser $4 million, while New York sanctioned carriers a collective $2 million in fines for parity violations, and required $3 million in restitution to hundreds of consumers for out-of-pocket expenses, resulting in a 60% reduction in consumer complaints about access to mental health and addiction treatment services

Requirements for proactive reporting of parity compliance, by carriers, is long overdue.

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