

State Parity Laws May Explain Why Federal Policy Shows Modest Effect

N. Mulia, C.K. Lui, Y. Ye, M.S. Subbaraman, W.C. Kerr, T.K. Greenfield

November 2019

A new study found states that mandated health plan coverage for alcohol treatment and had partial parity laws (CPP) were more likely to see a significant increase in treatment admissions following implementation of the 2008 Federal Mental Health Parity and Addiction Equity Act (MHPAEA).

Results suggest that these states were better able to benefit from federal parity due to their coverage mandate and possibly because of pre-existing administrative infrastructure than states without such laws.

This is the first study to consider the moderating effect of prior state-level parity policies on the impact of the MHPAEA.

The Issue

In the US, approximately 16 million people have an alcohol use disorder and heavy drinking is a leading cause of preventable death. However, accessing care for substance use and mental health problems can be more difficult than getting general medical or surgical care.

Even people with health care insurance often face barriers to substance use treatment due to higher co-pays, more restrictions on length of service, annual and lifetime coverage caps, and other requirements such as prior approval.

Only states with both mandated coverage and pre-existing partial parity laws saw an increase in specialty service use after federal parity

Parity laws at the state and federal level were designed to help ensure people can access the care they need regardless of whether they require medical, mental health, or substance use services.

Parity Laws

As an extension to the 1996 Federal Mental Health Parity Act (MHPA), which prohibited lower annual and lifetime dollar limits on mental health (vs. general medical) benefits, the MHPAEA required additional parity in financial and service limitations. Further, the MHPAEA mandated these parity requirements for the treatment of substance use disorders.

However, until the Affordable Care Act (ACA) extended the MHPAEA to the individual and small-group markets (and certain Medicaid plans), only those individuals in a large group health plan received its benefits.

The MHPAEA addresses unfair restrictions on access by requiring parity in several key areas (deductibles, co-pays and co-insurance, service limits, and financial limits), as well as non-quantitative limitations such as use of prior authorization.

Prior to the MHPAEA, many states had passed their own parity laws but these varied considerably in service coverage and parity mandates.

It is expected that these local laws could lessen the impact of the federal law since people already had greater access to substance use treatment.

The MHPAEA addresses unfair restrictions on access by requiring parity in several key areas (deductibles, co-pays and co-insurance, service limits, and financial limits), as well as non-quantitative limitations such as use of prior authorization.

Prior to the MHPAEA, many states had passed their own parity laws but these varied considerably in service coverage and parity mandates. It is expected that these local laws could lessen the impact of the federal law since people already had greater access to substance use treatment.

About the Study

The study looked at whether alcohol treatment admissions increased after federal parity was implemented, and whether this depended upon state laws. Researchers analyzed alcohol admissions data from SAMSHA's Treatment Episode Data Set (TEDS-A) over a 15-year period from 1999 to 2013. Data included two million alcohol-related treatment admissions per year across 45 states and the District of Columbia.

Using data from the Alcohol Policy Information System (APIS) of the National Institute on Alcohol Abuse and Alcoholism, states were divided into five categories based on their coverage and parity policies prior to the MHPAEA.

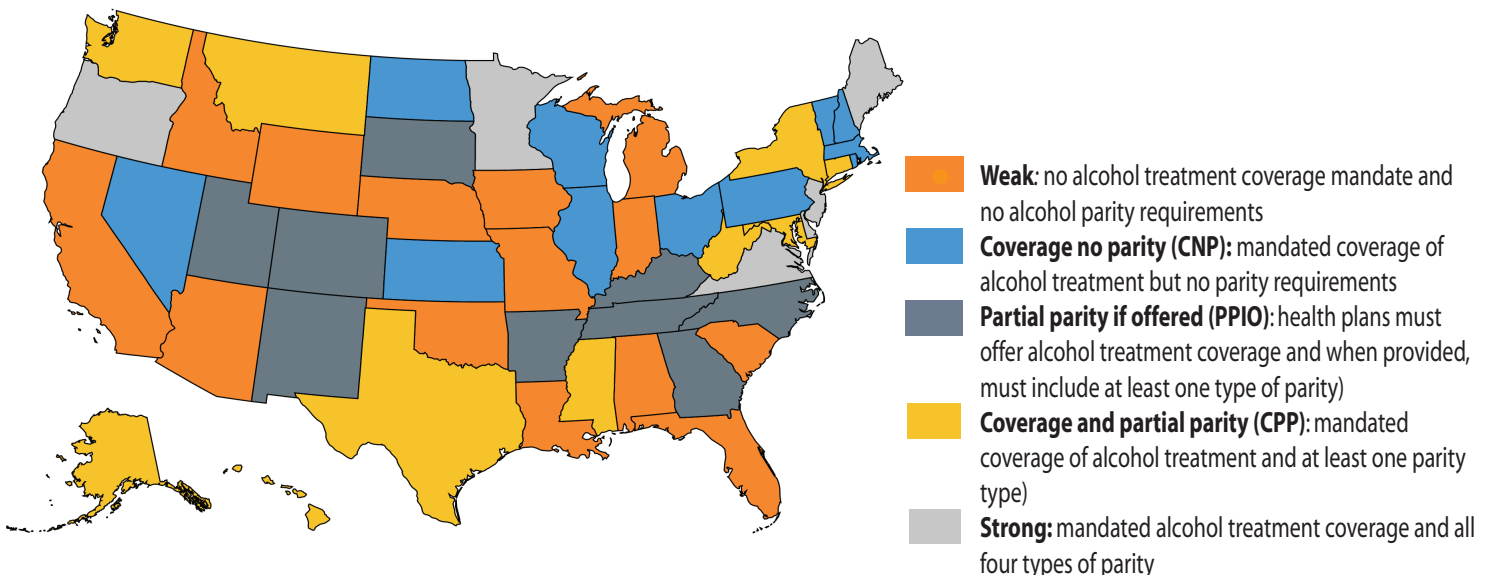
What the Study Found

Overall, there was no significant change in US alcohol treatment rates after the MHPAEA. However, when considering the local parity laws, the MHPAEA impacted CPP states which saw a significant increase in alcohol treatment admission rates.

This may be due to these states requiring coverage of alcohol treatment and also having the experience and administrative infrastructure to support parity. This could have enabled them to implement and benefit from the federal law more quickly than states with weaker or no prior parity laws.

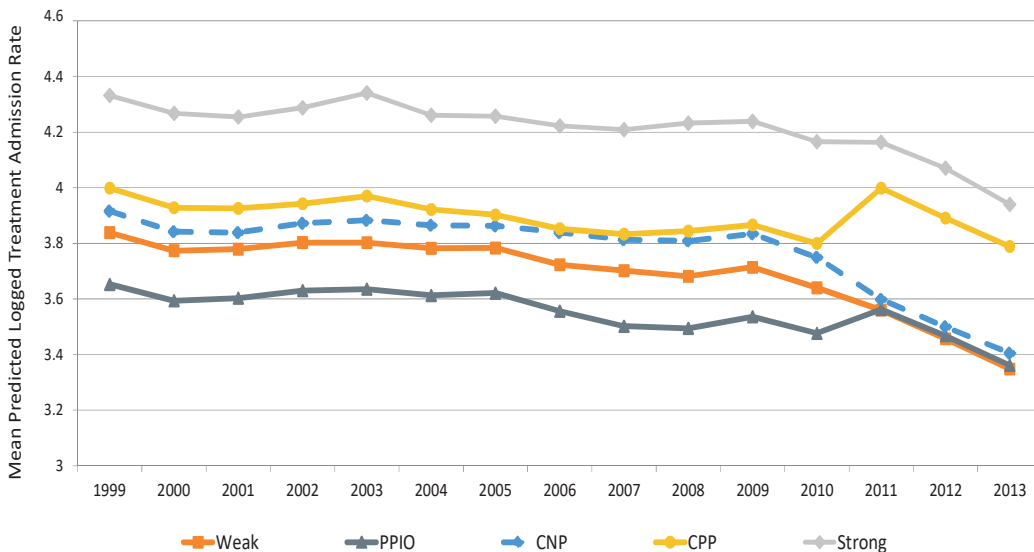
Results also showed that strong parity states had the highest treatment admission rates prior to the MHPAEA, and that after the federal parity law, CPP states had treatment admission rates similar to those of strong states. This suggests the importance of mandates that require coverage and parity for substance use disorder treatment.

State Heterogeneity in Parity Laws for Alcohol Treatment Prior to the MHPAEA



Notes: States were coded based on NIAAA's Alcohol Policy Information System data on mandates related to health plan coverage of alcohol treatment and presence of different types of parity requirements for alcohol treatment (0–4), including deductibles, co-pays and coinsurance, service limits, and financial limits

Predicted Trends in Alcohol Treatment Admission Rates Before and After the MHPAEA by Pre-Existing Parity Policy, U.S. States n=46



About the Alcohol Research Group (ARG):

For sixty years, ARG has been actively engaged in critically needed alcohol- and other drug-related public health research.

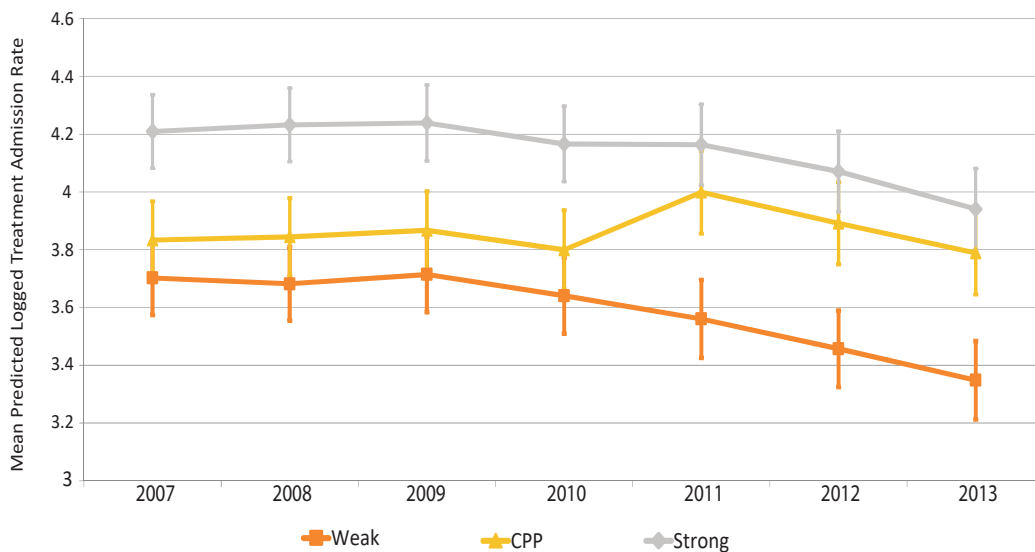
We study drinking and other drug use and how these and other factors such as gender, race/ethnicity, sexual identity, socioeconomic disparities, and environmental differences affect health.

ARG is also home to the NIAAA-funded National Alcohol Research Center and training program.

Subset of Total Predicted Trends in Alcohol Treatment Admission Rates Before and After the MHPAEA by Pre-Existing Parity Policy, U.S. States n=46

This graph shows the different trends in weak, CPP and strong states. Before the MHPAEA was enacted in 2008, CPP and weak states had similar alcohol treatment admission rates, both of which were lower than those in strong states.

After the MHPAEA, the treatment admissions rate in CPP states deviated from weak states, increasing to become similar to that of states with strong pre-existing parity.



Researchers also looked at how the MHPAEA impacted different racial and ethnic groups.

Results were consistent with overall findings, with significant increases in CPP states that were similar in size across whites, blacks, and Hispanics.

What it Means

The fact that strong states and CPP states, after the MHPAEA was enacted, had higher admission rates than weak states suggests the importance of the ACA's provisions for alcohol treatment services. Namely, providing this as an essential health benefit and extending parity laws to many more Americans will help ensure people receive the care they need.

It also suggests what could happen if these ACA provisions for substance use disorder treatment were dismantled – it could affect treatment access for millions of Americans and have long-term detrimental effects on the public's health.

Recommendations

Future research should determine if these treatment rates are maintained over time following the implementation of key ACA mandates.

Research is also needed to assess the ACA and federal parity's effect on treatment access across racial/ethnic groups to ensure that landmark public policies support and help facilitate health equity for all Americans.