

# Report to Assess Medical or Surgical Benefits, and Benefits for Mental Health and Substance Use Disorders

Health and Human Services Commission  
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## **Background:**

CMS issued policy in 2016 regarding the application of Mental Health Parity and Addiction Equity Act (MHPAEA) of 2008 to Medicaid and CHIP. MHPAEA generally prohibits the application of more restrictive limits and requirements to Mental Health and Substance Use Disorder (MH/SUD) benefits than the limits/requirements that apply to Medical and Surgical (M/S) benefits.

House Bill 10 of the 85<sup>th</sup> legislative session ensured that the provision of MH/SUD benefits are in parity with M/S benefits by:

- Establishing an ombudsman for behavioral health;
- Establishing a mental health condition and substance use disorder parity work group;
- Providing coverage for mental health conditions and substance use disorders that is under the same terms and conditions as a plan's medical and surgical benefits and coverage;
- Adopting related rules; and
- Preparing a report that studies benefits for M/S expenses and MH/SUD expenses provided by Medicaid and CHIP MCOs (Section 4).

HHSC was required to conduct a study and prepare a report comparing benefits provided by Medicaid MCOs for M/S expenses to those for MH/SUD. As required by H.B. 10, HHSC collected and compared data on MS and MH/SUD benefits that were:

- Subject to prior authorization or utilization review;
- Denied as not medically necessary or experimental or investigational;
- Internally appealed, including data that indicates whether the appeal was denied; or,
- Subject to an independent external review, including data that indicates whether the denial was upheld.

## HHSC Approach

HHSC worked closely with the Texas Department of Insurance (TDI) to develop a survey tool HHSC collected and evaluated Medicaid and CHIP MCOs' claims data.

The MCOs completed a survey that requested claims information by:

- Benefit category - MH/SUD benefit or M/S benefit;
- Benefit classification - inpatient, outpatient, emergency services, or pharmacy;
- Age group - under 21 years of age, or 21 years of age and older; and
- Network - in-network or out-of-network.

## Findings

1. The majority of claims were for M/S (88.5 percent in Medicaid and 92.1 percent in CHIP).
2. In Medicaid, a higher percentage of MH/SUD claims (26.0 percent) were denied compared to M/S claims (18.8 percent). In CHIP, M/S claims were slightly more likely (19.6 percent) to be denied compared to MH/SUD claims (17.4 percent).
3. MH/SUD claims in both Medicaid and CHIP (5.4 percent of Medicaid and 2.4 percent of CHIP) were more likely than M/S claims (3.1 percent of Medicaid and 1.7 percent of CHIP) to be subject to prior authorization (PA). Most MH/SUD prior authorization requests were subsequently approved (93.9 percent in Medicaid and 93.0 percent in CHIP).
4. M/S claims in both Medicaid and CHIP were more likely than MH/SUD claims to be denied or partially denied as not medically necessary. (In Medicaid, 6.6 percent of M/S claims were denied or partially denied as compared to 2.5 percent of MH/SUD claims. In CHIP, 6.4 percent of M/S claims were denied or partially denied, while 3.9 percent of MH/SUD claims were denied or partially denied).
5. A greater proportion of MH/SUD claims with an adverse determination (12.5 percent in Medicaid in 11.4 percent in CHIP) were internally appealed compared to M/S claims (6.8 percent in Medicaid and 7.3 percent in CHIP). MH/SUD claims were more likely to be upheld or partially upheld (80.0 percent in Medicaid and 82.1 percent in CHIP), compared to M/S claims (57.6 percent in Medicaid and 56.5 percent in CHIP).

6. Few MH/SUD claims proceeded from an internal appeal to a state fair hearing (for Medicaid claims) or to an independent review organization (IRO) (for CHIP claims). Even fewer of these claims were overturned at this review level.