



Mental Health Association in New York State, Inc.

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Memorandum in Support

A 3694-C (Gunther)/S1156-C (Ortt)

AN ACT An act to amend the insurance law, in relation to establishing the mental health and substance use disorder parity report act.

The Mental Health Association in New York State (MHANYS), representing 26 Mental Health Association affiliates serving the mental health needs of New Yorkers in 50 counties supports A.3694-C/S1156-C. This legislation would authorize the Superintendent of the Department of Financial Services to collect certain key data points and elements from insurers and health plans in order to scrutinize and analyze if they are in compliance with the federal and state mental health and substance use disorder parity laws, culminating in publication of a Mental Health and Substance Use Disorder Parity Report.

Mental health parity requirements have been legal requirements both the state (Timothy's Law) and national (Affordable Care Act) levels since as early as 2006. Nonetheless, in New York, noncompliance with the law among managed behavioral health companies has been the focus of five investigations and subsequent settlements by the New York State Attorney General over the last two years. These investigations revealed patterns of denials among insurers for the coverage of behavioral health services, in some cases as high as 64 percent greater than coverage denials for physical health conditions. The Attorney General also found non-parity treatment of mental health and substance abuse including charging a higher co-payment for outpatient mental health visits compared to outpatient primary care visits, sometimes twice as high. Other findings included lack of coverage of residential treatment for mental health and substance abuse treatment and adverse determination letters that did not provide adequate information including the medical necessity criteria used to deny treatment.

Outside of the Attorney General investigations, holding insurance companies accountable to parity laws is currently a burden born primarily by consumers, many of whom are unfamiliar that these laws even exist. This legislation would help assure that New Yorkers realize the full protections afforded them under parity laws, while also helping to reduce stigma surrounding mental illness and substance abuse, which in and of itself can be one of the most prohibitive barriers to seeking timely and appropriate professional help.

Based on the aforementioned reasons MHANYS strongly supports A.3694-C/S.1156-C and we urge and recommend its passage into law.

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