



# State Snapshot on Parity Implementation CALIFORNIA

## OVERVIEW

The Parity Implementation Coalition (PIC) will provide bimonthly state profiles of promising practices in state implementation of The Mental Health Parity and Addiction Equity Act (MHPAEA) and the parity provisions of the Affordable Care Act (ACA). For our inaugural profile, we interviewed California advocates Randall Hagar from the California Psychiatric Association and Tom Renfree from the County Behavioral Health Directors Association of California.

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## PROMISING PRACTICES

- 1) Build a unified coalition
- 2) Develop a parity champion(s) in your state legislature
- 3) Engage consumers and families sustained involvement in parity implementation and enforcement
- 4) Document compliance problems and communicate these to state regulators



## Parity Implementation Coalition

*Coalition members include:* American Academy of Child and Adolescent Psychiatry, American Psychiatric Association, American Society of Addiction Medicine, Cumberland Heights, Faces and Voices of Recovery, Hazelden Betty Ford Foundation, MedPro Billing, Mental Health America, National Alliance on Mental Illness, National Association of Addiction Treatment Providers, National Association of Psychiatric Health Systems, Teen Screen, The Watershed Addiction Treatment Programs, Inc.

For more information on California's Drug Medi-Cal Organized Delivery System, click [HERE](#)

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For our inaugural profile, we interviewed California advocates Randall Hagar from the California Psychiatric Association and Tom Renfree from the County Behavioral Health Directors Association of California.

**\*EDITORS NOTE:** Virtually every state we talk to seems surprised when we approach them as one of the states with promising parity practices. Most believe their progress has been slow and not nearly the priority in state government that they had hoped. We hope state advocates will find useful the promising practices used in other states, and take advantage of the individuals profiled as a resource.

### **Would you describe California as actively implementing the Mental Health Parity and Addiction Equity Act?**

*Mr. Hagar:* Yes, California has passed legislation and issued regulations on compliance with the federal parity law. The California Department of Insurance advocated for passage of a law increasing its enforcement authority over large employer plans. The Department of Managed Health Care has issued guidance detailing what plans must provide to the Department to establish their plan is in compliance with federal and state law. We also helped to get appropriations legislation to hire additional parity enforcement staff.

### **Would you describe California as actively implementing the Mental Health Parity and Addiction Equity Act?**

*Mr. Renfree:* Yes, but I am a little surprised about being a state that is considered as leading the pack on parity implementation as our progress has been very slow.

### **What do you think has been most helpful in advocating for parity implementation in California?**

*Mr. Renfree:* We are lucky to have a champion at our State Capitol, Senator Jim Beall, who introduced legislation to require that plans publish their compliance reports online. He has remained committed to full parity compliance for many years. We also have a very strong benefit for our Medicaid expansion population and parity is required.

### **What do you think has been most helpful in advocating for parity implementation in California?**

*Mr. Hagar:* Three elements were key. 1) We had a sustained effort on parity since 2001 where we sought passage of the first state parity law.

2) We had a strong coalition called the California Coalition for Mental Health Care. There was an active parity committee within the coalition and we worked collaboratively on parity implementation for the last 8 years.

3) We had a strong legislative champion who consistently introduced parity bills over the last decade.

4) We have lobbied for openness and transparency in plan reporting of compliance.

### **What have been your biggest challenges in parity implementation?**

*Hagar:* 1) Achieving network adequacy has remained a nagging challenge. We have worked on regulations to create timely access to care and that is another way to focus on creating network adequacy. We have also submitted briefs in court and administrative law proceedings that support enforcement of access and network adequacy standards. It remains a struggle.

2) We have a bifurcated regulatory system between the California Department of Insurance and the Department of Managed Health Care that makes navigation of the regulatory system more complex.

3) Every time laws and regulations are passed and are being implemented, compliance requirements are complex and take time to implement and enforce. For example, despite compliance guidance being issued in July of 2014,

only 2 of the 26 health plans in our state are deemed compliant by the state and full compliance may take until January of 2016.

**What have been your biggest challenges in parity implementation?**

*Renfree:* 1) While our state has made substantial progress, some health plans have been slow to comply with parity requirements, or continue to impose requirements on substance use disorder treatment that are not required of other medical services: i.e. onerous prior authorization rules, arbitrary limits on medication dosage and length of treatment, requiring clients to “fail first” at other treatments. Many health plans also exclude coverage of methadone maintenance treatment altogether.

2) Network Adequacy remains a significant barrier. Infrastructure and workforce development is needed to increase the number of trained addiction providers.

3) There is a limited addiction and family advocacy voice as compared with mental health advocacy.

**What resources would be most helpful to achieve full implementation and enforcement of the law?**

*Hagar:* We have only 3 paid staff that must focus on all issues. 50% of a FTE that could be used just on parity issues would be helpful. Having a trusted legal resource to help our members navigate the appeals process would also be helpful.

**Did you receive funding to do your parity implementation work?**

*Hagar:* No, we used existing resources.

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*Renfree:* No, we used existing resources, but received technical assistance from Legal Action Center and Advocates for Human Potential (AHP).

**Have you noticed improvement in access to Mental Health/Substance Use Disorder services as a result of your implementation efforts?**

*Hagar:* Unfortunately there has only been modest improvements because it is taking the Department significant time to review the compliance filings and then enforce the law and regulations. We are hopeful when the Department begins its auditing process and site visits to plans, specifically on MHPAEA compliance, change will be forthcoming.

**Have you noticed improvement in access to Mental Health/Substance Use Disorder services as a result of your implementation efforts?**

*Renfree:* Not in a meaningful way. On the Mental Health side, there have been improvements in client access as a result of counties expanding services under the Mental Health Services Act. That is not specifically a parity implementation, but it is definitely an improvement in access. On the SUD side, access to one important service – intensive outpatient treatment – has definitely been expanded as a result of our advocacy and the state’s willingness to expand the Drug Medi-Cal benefits and to implement Medicaid expansion, so that a much higher percentage of our consumers are now eligible and receiving outpatient SUD treatment services.

**Would you be willing to be a resource to other state advocates?**

*Hagar:* Absolutely, yes. (E-mail is: [randall-hagar@calpsych.org](mailto:randall-hagar@calpsych.org))

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*Renfree:* I’d be happy to. (E-mail is: [trenfree@cbhda.org](mailto:trenfree@cbhda.org))