

EXECUTIVE SUMMARY

CedarBridge was contracted by the Colorado Department of Health Care Policy and Financing (Department) to collaborate with the Department and stakeholders with relevant knowledge in designing and creating an Annual Mental Health Parity and Addiction Equity Act (MHPAEA) Report for State Fiscal Year 2019-2020. The MHPAEA is designed to ensure Medicaid managed care organizations and Medicaid alternative benefit plans providing mental health or substance use disorder (MH/SUD) benefits impose offer benefits that are no more stringent than those imposed upon medical and surgical benefits (M/S) in the same classifications. Our team was directed to conduct comparative analyses across Colorado Medicaid's statewide managed care system, consisting of seven (7) Regional Accountable Entities (RAEs) and two (2) Managed Care Organizations (MCOs), to determine the status of parity compliance within the Colorado Medicaid delivery system.

The State of Colorado administers Colorado's Medicaid program through its Accountable Care Collaborative (ACC). The state is divided into seven regions with a single Managed Care Entity, the RAE, operating the ACC in each region. The ACC is a hybrid managed care program authorized through a Section 1915(b) waiver approved by the Centers for Medicare & Medicaid Services (CMS). The RAEs function as a Prepaid Inpatient Health Plan (PIHP) for the administration of all ACC members' capitated mental health and substance use disorder (MH/SUD) services, as well as a Primary Care Case Management Entity (PCCM Entity) accountable for the effective and coordinated utilization of fee-for-service medical and surgical Medicaid benefits. The RAEs are responsible for administering Colorado Medicaid's capitated MH/SUD benefit, which includes paying claims and authorizing MH/SUD services. Physical health services are paid fee-for-service by the Department's fiscal agent.

CedarBridge followed federal parity guidance as outlined in the CMS parity toolkit, "Parity Compliance in Mental Health and Substance Use Disorder Parity Requirements for Medicaid and Children's Health Insurance Programs," and completed the analysis in accordance with Colorado House Bill 19-1269. The Non-Quantitative Treatment Limits (NQTL) analysis incorporates public input received. Per the CMS Parity Toolkit, NQTLs are limits on the scope and duration of benefits, such as prior authorization or network admission standards. CedarBridge, in collaboration with the Department, collected meaningful public input to help assess how processes, strategies, evidentiary standards, and other factors operate in practice through a multi-pronged stakeholder outreach approach.

The Colorado Medicaid service delivery system has multiple components that add complexity to assessing parity. The analysis requires the comparison of a capitation payment structure to a fee-for-service payment structure. While multi-faceted, the comparison seeks to assess whether the written policies and procedures and how they are applied in practice affect the ability of a Medicaid member to access services.

Our assessment and comparative analysis of MH/SUD benefit limitations compared to M/S benefit limitations found no instances of parity compliance violations. This report outlines how, in written policies and in operation, the Department's and the Statewide Managed Care System's MH/SUD benefits are applied no more stringently than M/S benefits, in relation to:

PARITY COMPARATIVE ANALYSIS REPORT

- Benefit coverage
- Quantitative treatment limitations
- Non-quantitative treatment limitations
- Factors used to design treatment limitations, such as evidentiary standards and medical necessity criteria
- Other items identified through stakeholder engagement.

SUMMARY OF FINDINGS

AGGREGATE LIFETIME AND ANNUAL DOLLAR LIMITS

The Colorado Medicaid benefit packages do not impose aggregate lifetime or annual dollar limits. This negates the need to conduct these aspects of the parity review.

QUANTITATIVE TREATMENT LIMITATIONS

The Colorado Medicaid benefit packages impose no quantitative treatment limitations (QTLs) for MH/SUD benefits. This negates the need to evaluate parity compliance with respect to quantitative treatment limits.

NON-QUANTITATIVE TREATMENT LIMITATIONS

CedarBridge completed an analysis of the non-quantitative treatment limitations (NQTLs) being used by each of the benefit packages and completed an analysis of whether, for each NQTL, there are differences in policies, procedures or the application of the policies and procedures in operation for MH/SUD benefits and M/S benefits. No instances of parity compliance violations were found, however CedarBridge did identify recommendations for improvements in the efficiency of the delivery system and processes for preventing issues that can lead to a parity compliance violation. Recommendations include:

- While all RAEs utilize MH/SUD prior authorization determination timelines in compliance with statute, it is recommended that all are brought into alignment with comparable medical/surgical timelines.
- Require the RAEs and MCOs to use the statutory definition of medical necessity in applying their policies and processes.
- Require that MH/SUD providers not be restricted from participation in the network by geographic location, facility type, or specialty.
- It is unclear who may request authorization for service for out-of-network services. We recommend the Department consider mandating through contract that both a provider and a member may request authorization for out-of-network services for specified reasons.

AVAILABILITY OF INFORMATION

The responsible entities for Colorado Medicaid benefit packages provided substantial evidence that they are compliant with both requirements for availability of information:

- Criteria for medical necessity determinations regarding MH/SUD benefits are made available to enrollees, potential enrollees, and contracting providers upon request.
- The reasons for any denial of reimbursement or payment for MH/SUD benefits are made available to the beneficiary.