

Behavioral Health Parity and Health First Colorado

Health First Colorado (Colorado's Medicaid program) is subject to behavioral health parity laws and rules that require mental health and substance use disorder (MH/SUD) benefits offered to enrollees to be **comparable to and no more restrictive than** the medical/surgical (M/S) benefits offered. The federal Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA), Colorado House Bill 19-1269¹, and similar laws were enacted to prohibit insurers from implementing policies and practices that make it more difficult for enrollees to access MH/SUD benefits than it is to access M/S benefits.

In 2016, the Centers for Medicare and Medicaid Services (CMS) issued a final parity rule², which extends parity requirements to Medicaid managed care plans, Medicaid alternative benefit plans, and Children's Health Insurance Program (CHIP).

Parity Requirements

The MHPAEA establishes parity requirements in the following areas:

- Aggregate Lifetime and Annual Dollar Limits
- Financial Requirements and Quantitative Treatment Limitations
- Non-Quantitative Treatment Limitations

The MHPAEA does not prohibit health plans from implementing limitations or requirements, nor does it require the limitations/requirements applied to MH/SUD benefits to be identical to those applied to M/S benefits. To comply with the MHPAEA, the limitations and requirements applicable to MH/SUD benefits must be comparable to, and no more stringent than, those applied M/S benefits within a classification of benefits.

Unique Parity Considerations in Colorado

Health First Colorado's delivery and payment systems includes hybrid reimbursement approach wherein members' medical/surgical (M/S) benefits are covered by the Department of Health Care Policy and Financing (Department) through fee-for-service (FFS) arrangements, and members' mental health and substance use disorder (MH/SUD) benefits and care coordination services are covered by managed care entities. Other states generally cover all of a member's benefits under FFS or cover all benefits under managed care plans.

Parity regulations were designed to prevent health plans from limiting and impeding access to MH/SUD benefits, beyond limits in place for M/S services. Colorado's capitated behavioral health benefit and resulting hybrid delivery system was implemented to expand the MH/SUD services covered for Health First members.

While not a violation of any parity requirements, Colorado's hybrid delivery system adds complexity to the annual parity evaluation³. The CMS parity rule does not include specific guidance for evaluation of parity within a hybrid delivery system but does require comparison across different entities and payment methods. The parity analysis takes into account this complexity and is available on our website.

For More Information

If you would like more information regarding behavioral health parity within Colorado's Medicaid delivery system, please visit the Department of Health Care Policy and Financing [Parity Website](#).

¹ <https://leg.colorado.gov/bills/hb19-1269>

² Federal Register / Vol. 81, No. 61, Parts 438, 440, 456

³An annual evaluation of parity is required by Colorado Revised Statutes 25.5-5-421

