OHS
CONNECTICUT
Office of Health Strategy

CONNECTICUT OFFICE OF HEALTH STRATEGY: REPORT ON PAYMENT PARITY AND BEHAVIORAL HEALTH COVERAGE BY PRIVATE INSURERS

Transforming Children's Behavioral Health Policy and Planning Committee

March 6, 2024

ACUMEN

Contents

Study Background

In accordance with Public Act 22-47 subsections 57 and 58, *An Act Concerning Children's Mental Health*, the Connecticut Office of Health Strategy (OHS) commissioned Acumen, LLC to conduct two coordinated studies:

- The Behavioral Health Coverage by Private Insurers Study (Behavioral Health Coverage Study)
  - A study of the rates at which health carriers delivering, issuing for delivery, renewing, amending, or continuing individual and group health insurance policies in the state and third-party administrators … reimburse health care providers for covered physical, mental, and substance use disorder benefits (Subsection 57)
- The Payment Parity Study
  - A study of whether payment parity exists between providers of mental health and substance use disorder services and providers of other medical services in the private insurance market, such providers within the HUSKY Health program and HUSKY Health program mental health and substance use disorder providers, and their counterparts in the private insurance market (Subsection 58)

Contents

Behavioral Health Workforce Literature Review Key Findings* (1 of 3)

**Note that these are general findings from the academic literature and are not specific to Connecticut; the references and full citations are included in the full Environmental Scan Report and are available upon request.*

- Behavioral health provider participation in insurance declined across all insurance types in recent years and one of the most commonly discussed reasons for these declines, especially in Medicaid, has been low levels of provider reimbursement.
- Several studies analyzing the impact of temporary Medicaid fee increases for primary care mandated by the Affordable Care Act (ACA) found a positive association between fee increases and appointment availability for Medicaid enrollees. Physicians already participating in Medicaid increased the number of Medicaid patients they accepted, but there was no evidence that more providers enrolled in Medicaid as a result.
- Studies on Medicaid fee increases unrelated to the ACA temporary fee increase found that changes in fees contributed to increased healthcare utilization and improved the ability of beneficiaries to find providers accepting Medicaid.

Behavioral Health Workforce Literature Review Key Findings* (2 of 3)

**Note that these are general findings from the academic literature and are not specific to Connecticut; the references and full citations are included in the full Environmental Scan Report and are available upon request.*

- Approaches to expand the behavioral health workforce
  - *Peer Support Services* – those who have successfully recovered from a mental health or substance use disorder can obtain certification to provide support to those experiencing similar conditions
  - *Inter-State Licensing* – allows qualifying providers to practice in participating states without having to obtain additional licensure
  - *School-Based Health Care* – improve care access, prevent unnecessary emergency department visits, and reduce depressive episodes/suicide risk for adolescents
  - *Crisis Care* – Enhance crisis care networks and services for individuals experiencing psychiatric or substance abuse related emergencies who require immediate care

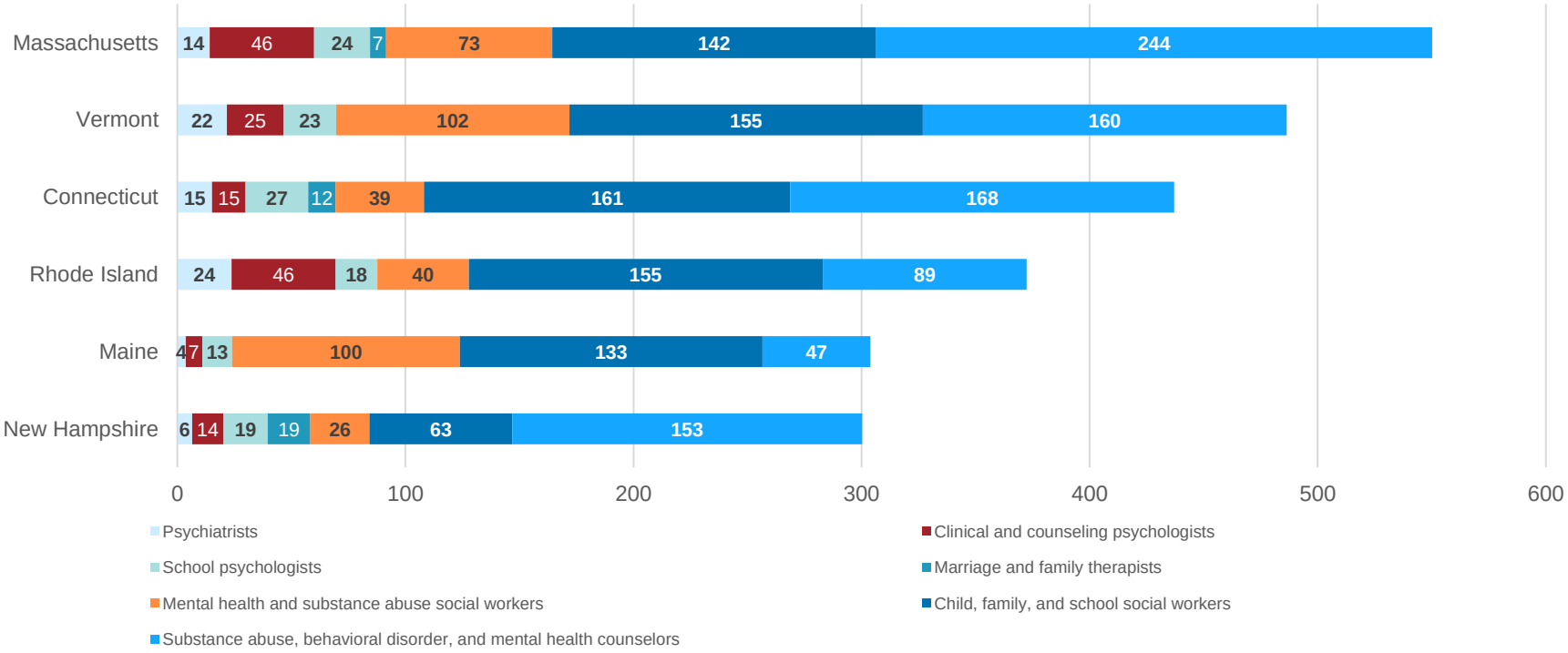
Behavioral Health Workforce Literature Review Key Findings* (3 of 3)

**Note that these are general findings from the academic literature and are not specific to Connecticut; the references and full citations are included in the full Environmental Scan Report and are available upon request.*

- Approaches to attract and retain new workers and incentivize providers to work in mental health shortage areas
  - Increase psychiatrist residency spots
  - Implement loan forgiveness and scholarship programs
  - Provide other financial incentives for providers in underserved areas
  - Establish professional outreach and mentorship programs to promote behavioral health opportunities

Number of Behavioral Health Providers per 100,000 Total Population

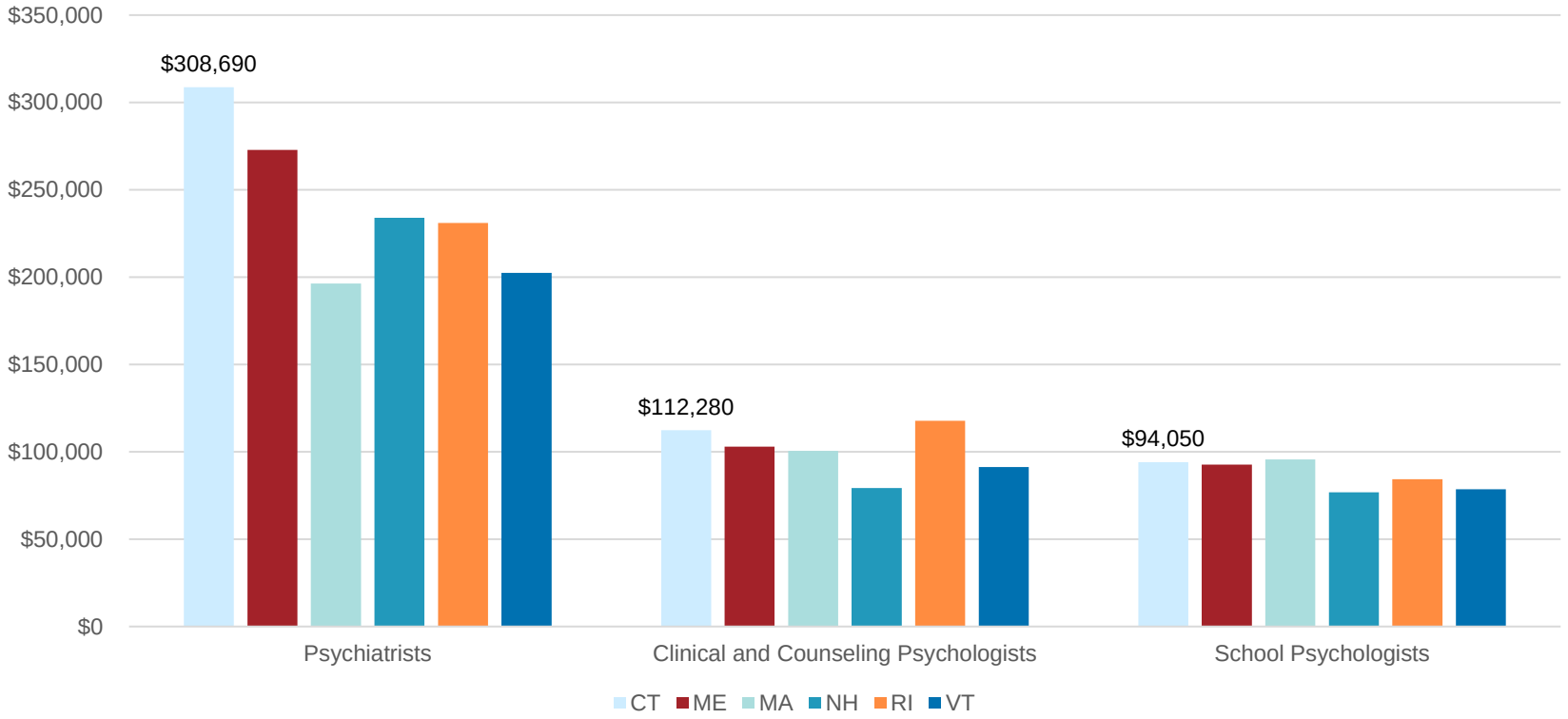
- ***Connecticut has the third highest number of behavioral health providers per 100,000 total state population in the New England region, behind Massachusetts and Vermont.***
- ***Connecticut is fourth in the number per capita of more highly trained providers, specifically psychologists (combined school and counseling/clinical) and social workers (combined behavioral health and child/family social workers).***



Source: U.S. Bureau of Labor Statistics, May 2022 State Occupational Employment and Wage Estimates for behavioral health labor categories, based on employer surveys.

Average Salaries for Behavioral Health Professions

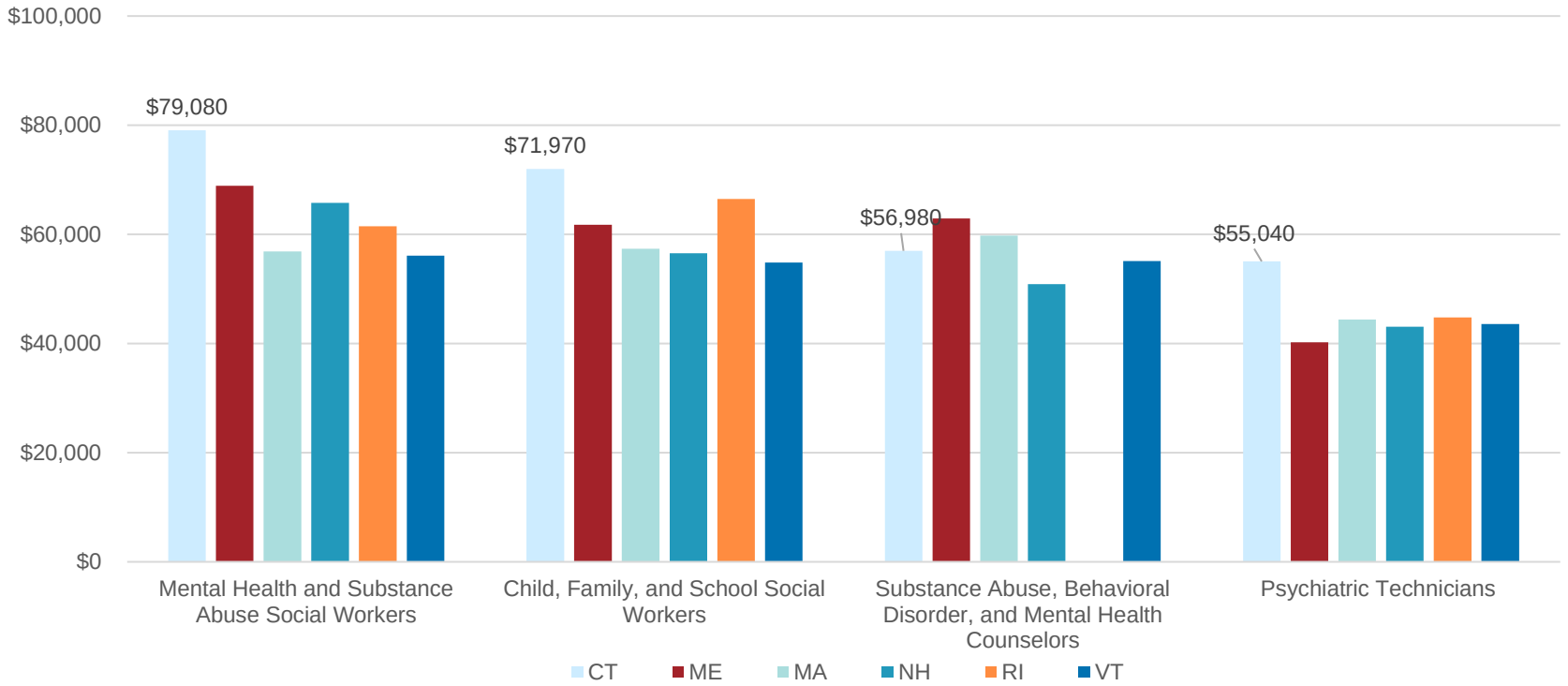
- ***Connecticut has the highest average salary for psychiatrists in the New England region, and the second highest for clinical and counseling psychologists and school psychologists.***



Source: U.S. Bureau of Labor Statistics, May 2022 State Occupational Employment and Wage Estimates for behavioral health labor categories, based on employer surveys.

Average Salaries for Behavioral Health Professions

- ***Connecticut has the highest average salary for mental health and substance abuse social workers; child, family, and school social workers; and psychiatric technicians in the New England region.***



Source: U.S. Bureau of Labor Statistics, May 2022 State Occupational Employment and Wage Estimates for behavioral health labor categories, based on employer surveys.

Contents

- Study Background
- Behavioral Health Coverage Study
  - Behavioral Health Workforce Literature Review and Environmental Scan
  - Reimbursement Rate Analysis
  - Service Use Analysis
- Payment Parity Study
  - Department of Labor (DOL) Payment Parity Warning Signs Analysis
- Study Limitations

Reimbursement Rate Analysis Methodology (1 of 3)

- Reimbursement rates were constructed for common behavioral health services for HUSKY, Private Insurance, and Medicare Advantage using 2022 claims data from the CT APCD professional claims, i.e., claims for services billed by individual doctors or other practitioners.

- The analysis may not include all payments for behavioral health services billed by facilities, although the individually-billed services could have been provided in facilities such as outpatient behavioral health clinics, nor does it include other sources of state funding for behavioral health services.

- For example, state-operated behavioral health services (including inpatient, outpatient, clinics, mobile crisis and grant funds provided through the Department of Mental Health and Addiction Services or Department of Child and Family Service) are not included.

Reimbursement Rate Analysis Methodology (2 of 3)

- Behavioral health services were identified in the claims data using Common Procedure Terminology (CPT) codes for office visits, psychiatric diagnostic evaluation, and psychotherapy.

- The rates were constructed for each CPT code for different behavioral health provider types, including:
  - Physicians: psychiatrists and neurologists
  - Non-physician providers: advanced practice nurses (APNs), physician assistants (PAs), social workers, counselors, and psychologists

- The reimbursement rates represent the median amount paid to the provider for the service from all parties, which includes the amount paid by the insurance company, deductible, copay, and coinsurance, if applicable.

Reimbursement Rate Analysis Methodology (3 of 3)

- ***Psychiatrists and behavioral health advanced practice nurses (APNs) and Physician Assistants (PAs) provide a greater volume of office visits***
- ***Counselors, Psychologists, and Social Workers provide a greater volume of psychotherapy service***

Specialty	Number of Providers with Claims for Office Visits	Number of Providers with Claims for Psychotherapy
Psychiatrists	**3,076**	605
BH APNs and PAs	**1,587**	447
Counselors	69	**6,142**
Psychologists	40	**3,369**
Social Workers/BAs/MFTs	178	**12,210**

Median Reimbursement Rates for Common Behavioral Health Services by Payer Type, Individual Practitioners and Clinics

- ***Reimbursement rates for individual practitioners are comparable in HUSKY and private insurance for One Hour Psychotherapy***
- ***Rates paid to behavioral health clinics are higher in HUSKY than private insurance for One Hour Psychotherapy***

Provider Type	1 Hour Psychotherapy – CPT 90837				
	Number of Claims		Reimbursement Rate		
	HUSKY	Private Insurance	HUSKY	Private Insurance	HUSKY/PI
Counselors	441,850	266,346	$98	$98	100%
Psychologists	48,599	68,476	$120	$107	112%
Social Worker/BA/MFTs	605,945	436,872	$98	$98	100%
Medical Clinic	1,435	962	$105	$115	91%
Behavioral Health Clinic	54,140	7,770	$139	$100	139%

Median Reimbursement Rates for Common Behavioral Health Services by Payer Type, Individual Practitioners and Clinics

- ***Reimbursement rates for individual practitioners are lower in HUSKY compared to private insurance for 45 Minute Psychotherapy***
- ***Rates paid to behavioral health clinics are higher in HUSKY than private insurance for 45 Minute Psychotherapy***

Provider Type	45 Minute Psychotherapy – CPT 90834				
	Number of Claims		Reimbursement Rate		
	HUSKY	Private Insurance	HUSKY	Private Insurance	HUSKY/PI
Counselors	53,042	70,995	$66	$81	81%
Psychologists	15,527	87,972	$80	$95	84%
Social Worker/BA/MFTs	101,064	169,585	$66	$81	81%
Medical Clinic	5,212	4,695	$70	$76	92%
Behavioral Health Clinic	61,993	13,976	$93	$80	117%

Median Reimbursement Rates for Common Behavioral Health Services by Payer Type, Individual Practitioners and Clinics

- ***Reimbursement rates for individual practitioners are lower in HUSKY compared to private insurance for 30 Minute Psychotherapy***
- ***Rates paid to behavioral health clinics are higher in HUSKY than private insurance for 30 Minute Psychotherapy***

Provider Type	30 Minute Psychotherapy – CPT 90832				
	Number of Claims		Reimbursement Rate		
	HUSKY	Private Insurance	HUSKY	Private Insurance	HUSKY/PI
Counselors	25,931	13,479	$45	$55	81%
Psychologists	7,570	5,714	$54	$65	83%
Social Worker/BA/MFTs	52,693	22,653	$45	$55	81%
Medical Clinic	3,956	5,145	$53	$49	108%
Behavioral Health Clinic	31,628	4,019	$70	$62	114%

Median Reimbursement Rates for Common Behavioral Health Services by Payer Type, Individual Practitioners and Clinics

- ***Reimbursement rates for 30 Minute Office Visits are significantly lower for psychiatrists and BH APNs and PAs in HUSKY compared to private insurance***
- ***Reimbursement rates for 30 Minute Office Visits are higher for behavioral health clinics in HUSKY compared to private insurance***

Provider Type	30 Minute Office Visit – CPT 99214				
	Number of Claims		Reimbursement Rate		
	HUSKY	Private Insurance	HUSKY	Private Insurance	HUSKY/PI
BH APNs and PAs	51,995	45,549	$58	$105	56%
Psychiatrists	38,736	59,571	$65	$138	47%
Behavioral Health Clinic	25,644	3,156	$120	$80	151%

Median Reimbursement Rates for Common Behavioral Health Services by Payer Type, Individual Practitioners and Clinics

- ***Reimbursement rates for 20 Minute Office Visits are significantly lower for psychiatrists and BH APNs and PAs in HUSKY compared to private insurance***
- ***Reimbursement rates for 20 Minute Office Visits are higher for behavioral health clinics in HUSKY compared to private insurance***

Provider Type	20 Minute Office Visit – CPT 99213				
	Number of Claims		Reimbursement Rate		
	HUSKY	Private Insurance	HUSKY	Private Insurance	HUSKY/PI
BH APNs and PAs	25,935	29,250	$39	$58	67%
Psychiatrists	33,600	64,677	$43	$88	49%
Behavioral Health Clinic	14,543	1,567	$82	$77	106%

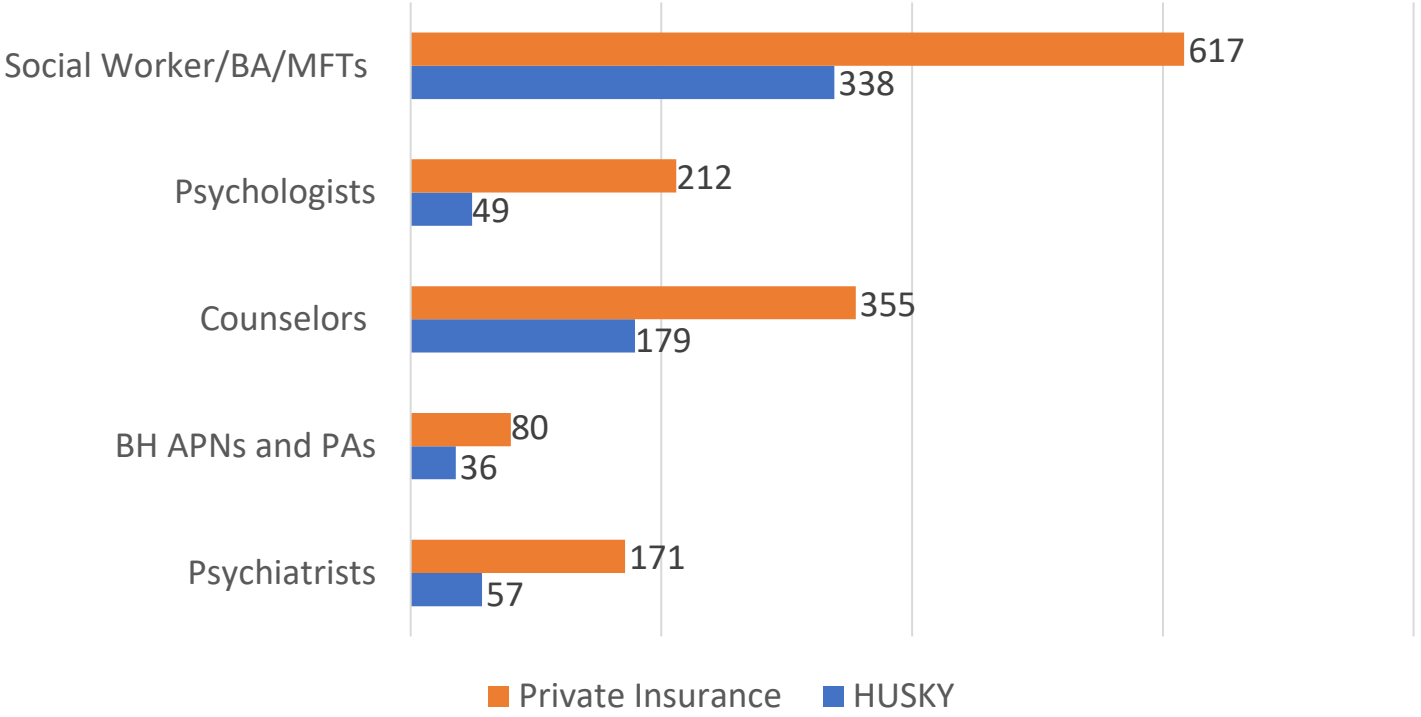
Reimbursement Rate Analysis
Key Findings

- Private Insurance reimbursement rates are higher for many common behavioral health services compared to HUSKY
- An exception is one-hour psychotherapy by non-physicians where HUSKY has comparable rates
- The largest differences between Private Insurance and HUSKY are for established patient office visits by Psychiatrists, Advanced Practice Nurses, and Physician Assistants
  - Psychiatrists rates in HUSKY are roughly half of the rates billed in Private Insurance

Contents

Service Use Analysis
Number of Providers per 100,000 Enrollees

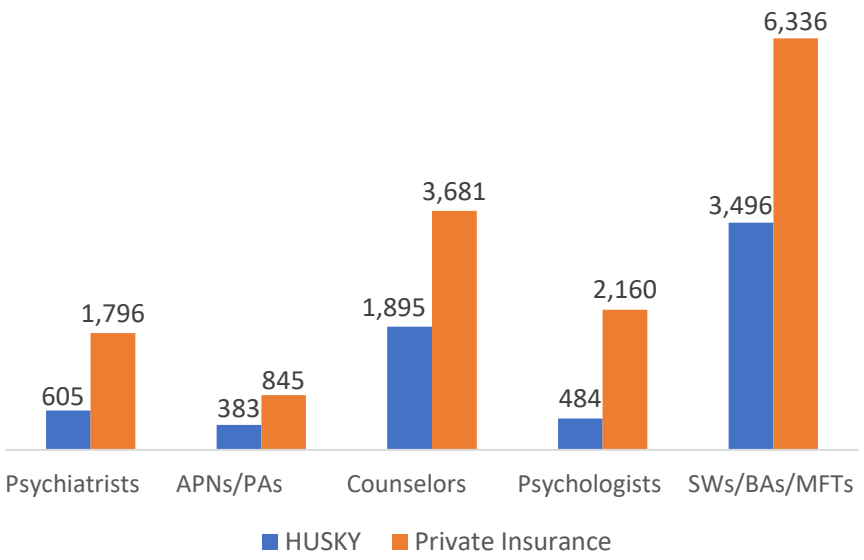
- ***There are significantly more providers per 100,000 enrollees in Private Insurance than in HUSKY***



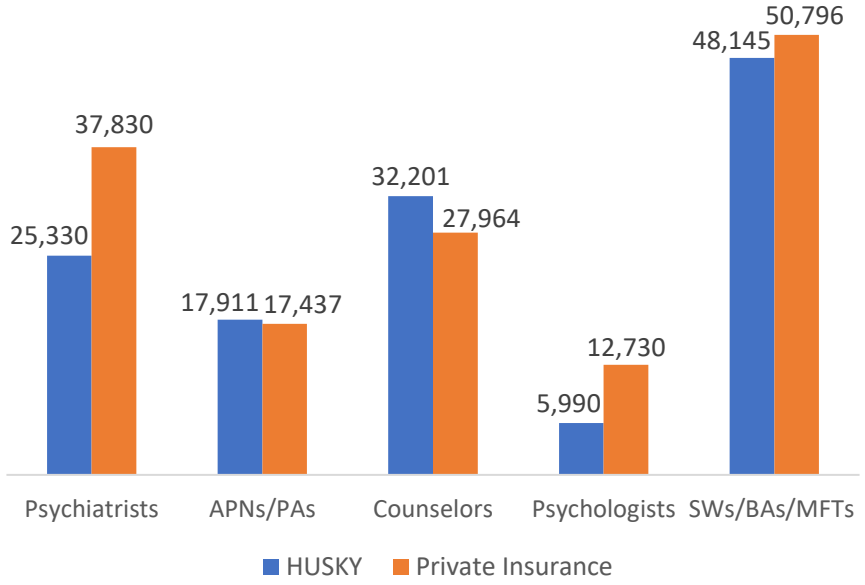
Service Use Analysis
Volume of Services Provided

- ***There are more psychiatrists and psychologists seeing private insurance enrollees than HUSKY and they serve a greater number of enrollees***
- ***BH APNs and PAs, counselors, and social workers serve comparable number of enrollees in private insurance and HUSKY***

Number of Providers with 5+ claims, by payer



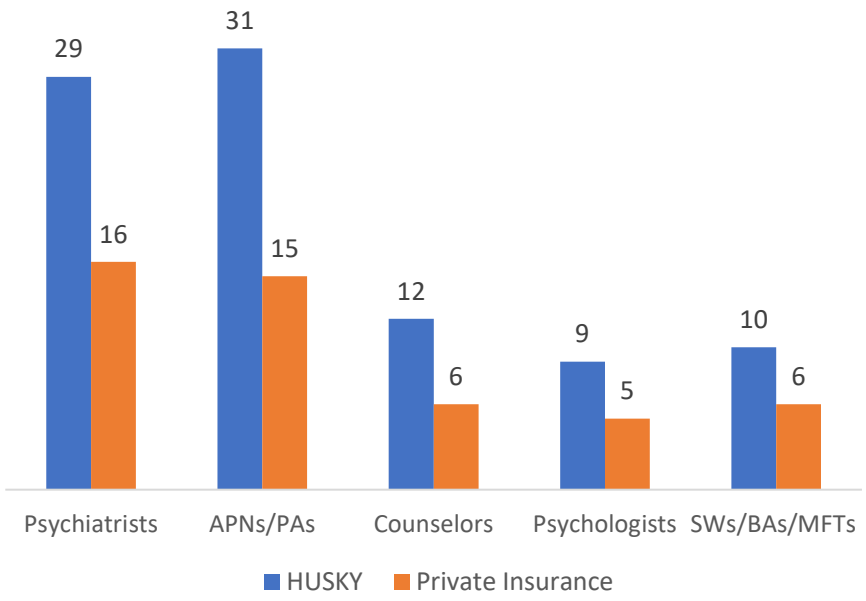
Number of Enrollees, by payer



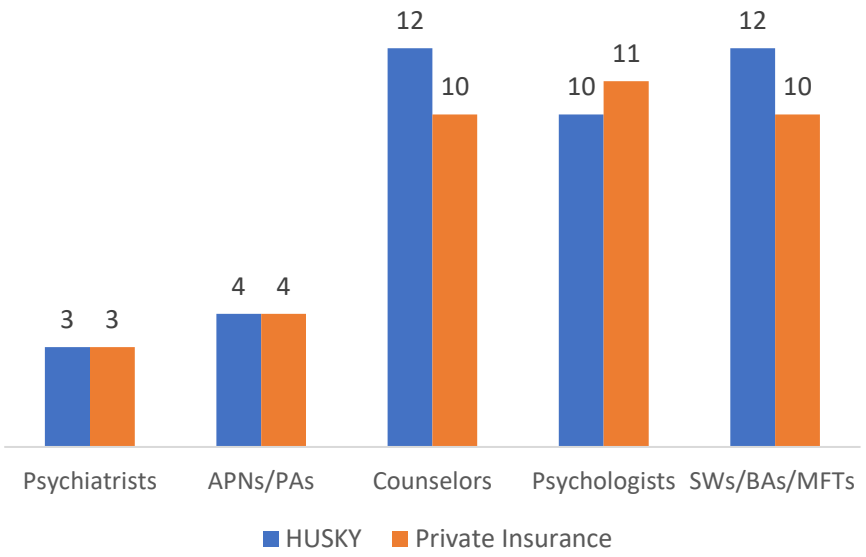
Service Use Analysis
Volume of Services Provided

- ***Providers who see HUSKY enrollees serve a greater number of enrollees, but provide a comparable volume of services per enrollee***

Average Number of Enrollees per Provider



Average Number of Claims per Enrollee



Service Use Analysis Methodology

- Acumen analyzed service use data from the APCD to understand unmet demand for behavioral health treatment, including analyses of
  - The use of behavioral health services among youth and adults with behavioral health disorders
  - Follow-up treatment after an inpatient stay and emergency department (ED) visits for behavioral health disorders

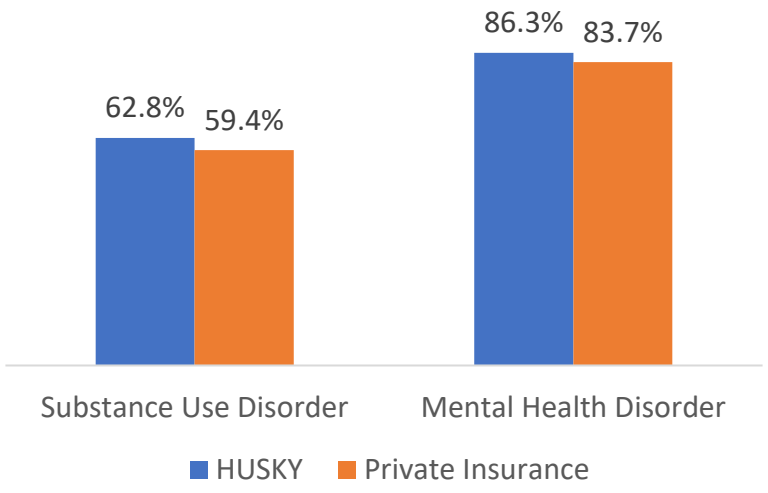
Number and Percentage of HUSKY and Private Insurance Enrollees Ages 12 to 17 with MHD and SUD Diagnoses, and the Number and Percentage with Outpatient Treatment* Among Enrollees with a Diagnosis

- ***Rates of Mental Health Disorder (MHD) among youth ages 12 to 17 were similar in Private Insurance and HUSKY (approximately 25%)***
- ***Rates of Substance Use Disorder (SUD) were higher in HUSKY (1.9%) compared to Private Insurance (0.5%)***
- ***Receipt of any outpatient treatment was higher for individuals with MHD than for individuals with SUD (over 80% for MHD compared to approximately 60% for SUD in both HUSKY and Private Insurance)***
- ***Receipt of any outpatient treatment was slightly higher in HUSKY compared to Private Insurance for both MHD and SUD***

Number and Percentage of Youth Ages 12 to 17 with a Behavioral Health Diagnosis Based on Claims Data

	HUSKY		Private Insurance	
	N	%	N	%
Mental Health Disorder	32,595	25.9%	18,994	25.5%
Substance Use Disorder	2,408	1.9%	374	0.5%

Percentage of Youth Ages 12 to 17 with a Behavioral Health Disorder Who Received Any Outpatient Treatment*



*Includes office-based care, intensive outpatient treatment, partial hospitalization, residential treatment, and medication treatment for SUD

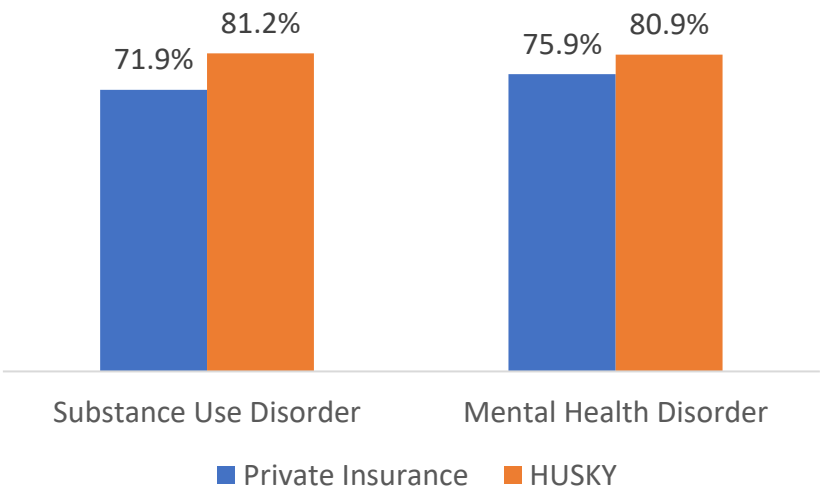
Number and Percentage of Adult HUSKY and Private Insurance Enrollees with MHD and SUD Diagnoses, and the Number and Percentage with Outpatient Treatment* Among Enrollees with a Diagnosis

- ***Rates of Mental Health Disorder (MHD) were slightly higher among adult HUSKY enrollees compared to Private Insurance enrollees (26.7% versus 19.9%)***
- ***Rates of Substance Use Disorder (SUD) were substantially higher among adult HUSKY enrollees compared to Private Insurance enrollees (10.6% versus 1.4%)***
- ***Receipt of outpatient treatment was higher in HUSKY compared to Private Insurance***

Number and Percentage of Adults with a Behavioral Health Diagnosis Based on Claims Data

	HUSKY		Private Insurance	
	N	%	N	%
Mental Health Disorder	183,431	26.7%	171,770	19.9%
Substance Use Disorder	72,650	10.6%	12,445	1.4%

Percentage of Adults with a Behavioral Health Disorder Who Received Any Outpatient Treatment*



*Includes office-based care, intensive outpatient treatment, partial hospitalization, residential treatment, and medication treatment for SUD

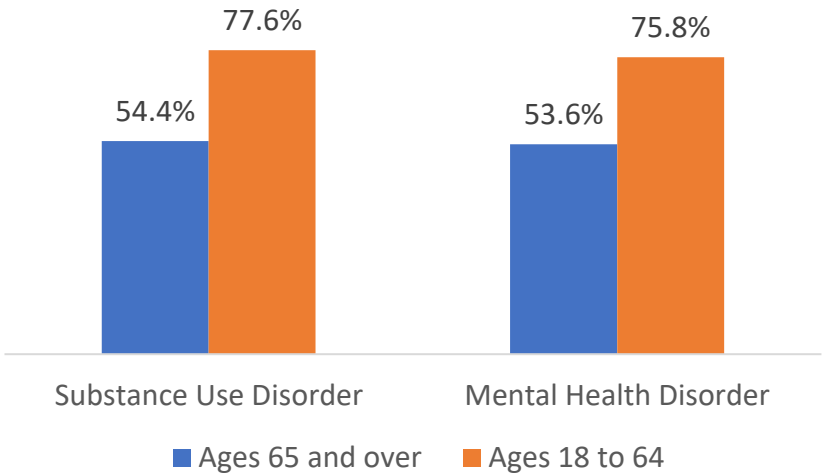
Number and Percentage of Adult Medicare Advantage Enrollees with MHD and SUD Diagnoses, and the Number and Percentage with Outpatient Treatment* Among Enrollees with a Diagnosis

- ***Receipt of outpatient treatment was substantially lower for Medicare Advantage enrollees ages 65 and over (just over 50% for both MHD and SUD), compared to ages 18 to 64 (just over 75% for both MHD and SUD)***

Number and Percentage of MA Enrollees Receiving with a Behavioral Health Diagnosis Based on Claims Data

	Ages 18 to 64		Ages 65 and over	
	N	%	N	%
Mental Health Disorder	17,583	49.7%	74,503	21.5%
Substance Use Disorder	4,619	13.0%	9,522	2.8%

Percentage of MA Enrollees with a Behavioral Health Disorder Who Received Any Outpatient Treatment*

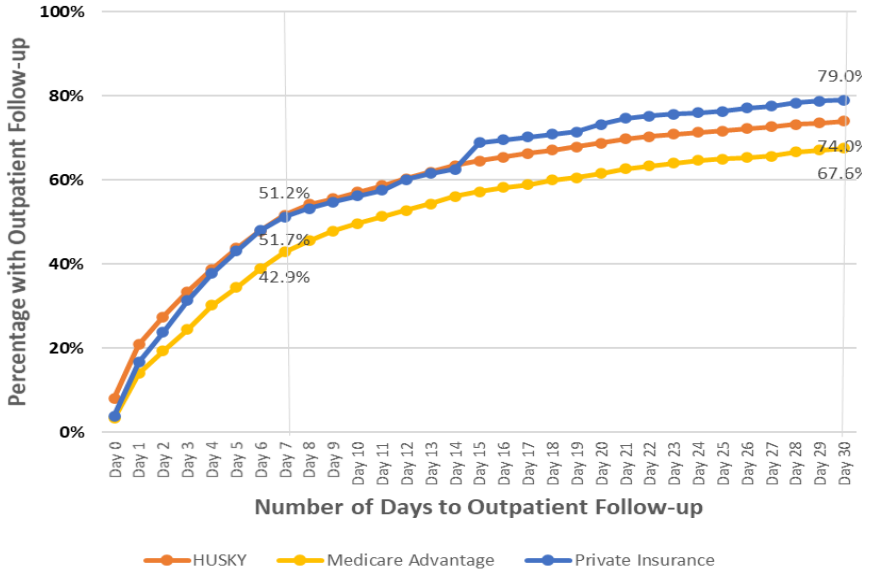


*Includes office-based care, intensive outpatient treatment, partial hospitalization, residential treatment, and medication treatment for SUD

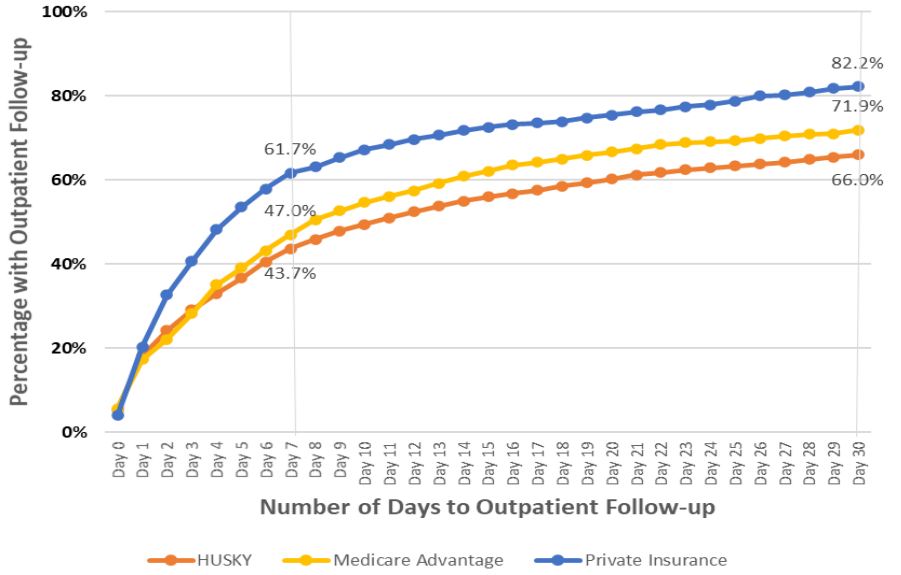
Follow-up* After Hospitalization for MHD and SUD, Ages 6 and Over

- ***Rates of follow-up after hospitalization for mental health disorder (MHD) were similar in HUSKY and Private Insurance in the first 7 days following discharge***
- ***Rates of follow-up were slightly higher in Private Insurance by day 30 with 79% of Private Insurance enrollees compared to 74% of HUSKY enrollees having an outpatient follow-up visit by day 30***
- ***Medicare Advantage enrollees had lower rates of follow-up following hospitalization for MHD***
- ***Private Insurance enrollees had higher rates of follow-up after hospitalization for substance use disorder (SUD) than HUSKY and Medicare Advantage enrollees***

Mental Health Disorder



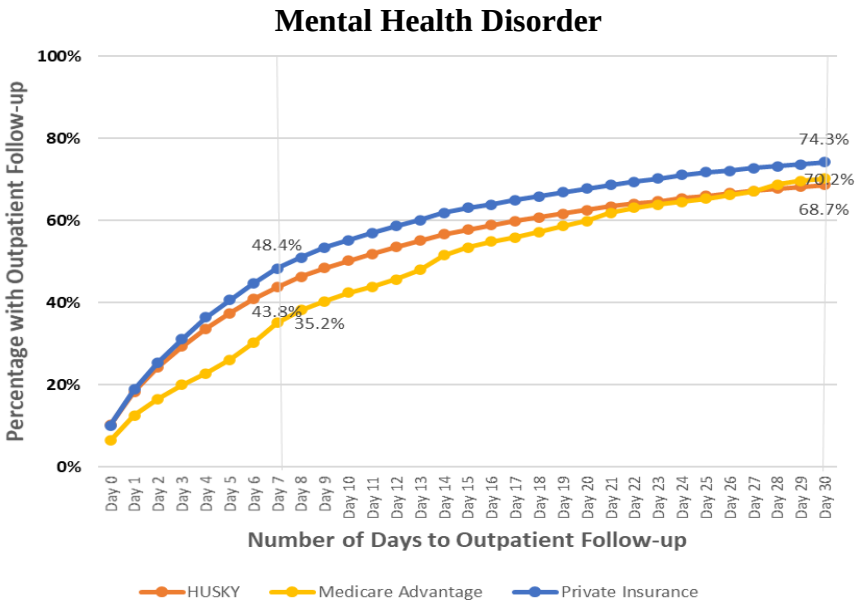
Substance Use Disorder

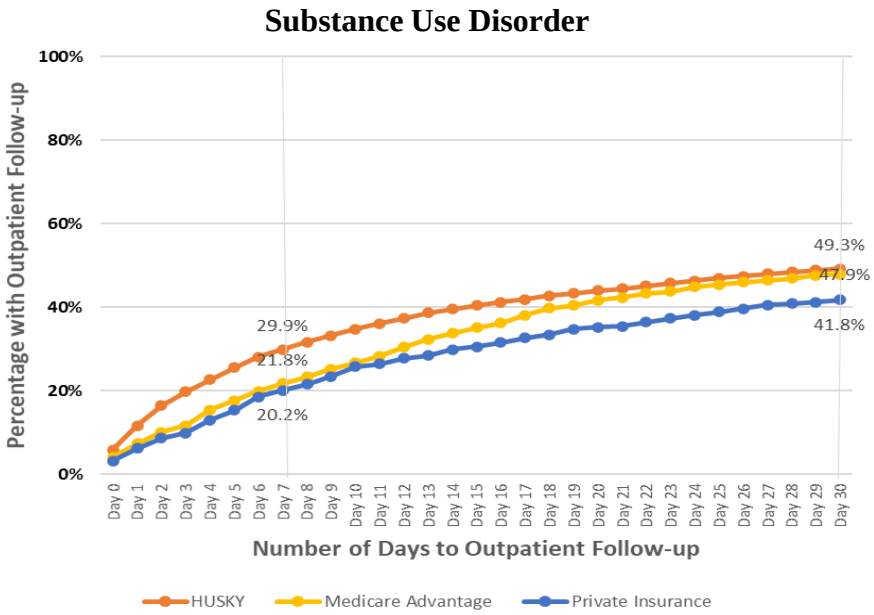


*Includes office-based care and outpatient care, intensive outpatient treatment, partial hospitalization, and residential treatment

Follow-up* After Emergency Department Use for MHD and SUD, Ages 6 and Over

- ***Rates of follow-up after emergency department (ED) use for mental health disorder (MHD) were slightly higher for Private Insurance enrollees ages 6 and over compared to HUSKY enrollees in the 30-day period following the ED visit (74.3% compared to 68.7%)***
- ***Rates of follow-up after ED use for substance use disorder (SUD) were lower than 50 percent for all payers***
- ***HUSKY enrollees had higher rates of follow-up after ED in the first seven days following the ED visit (29.9% versus 20.2%) and at 30 days (49.3% versus 41.8%)***



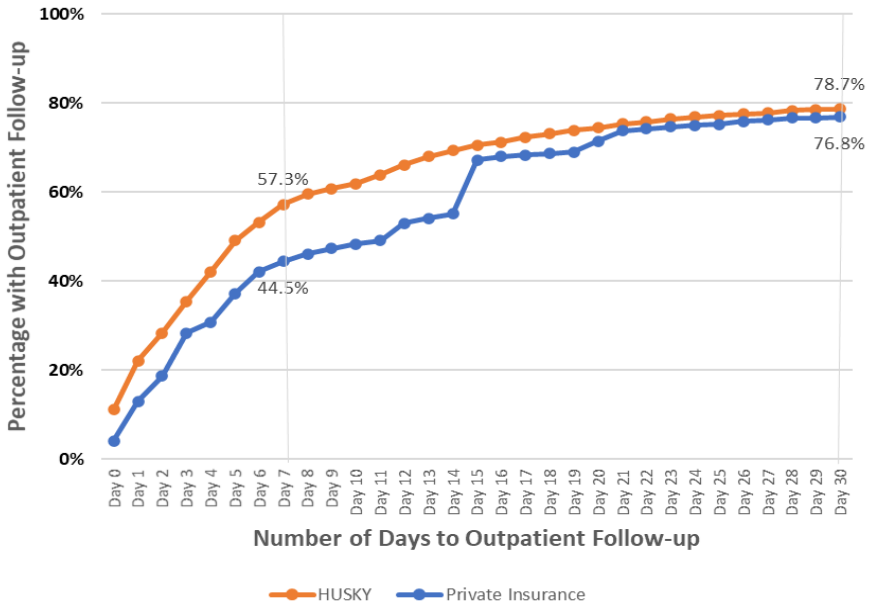


*Includes office-based care and outpatient care, intensive outpatient treatment, partial hospitalization, and residential treatment

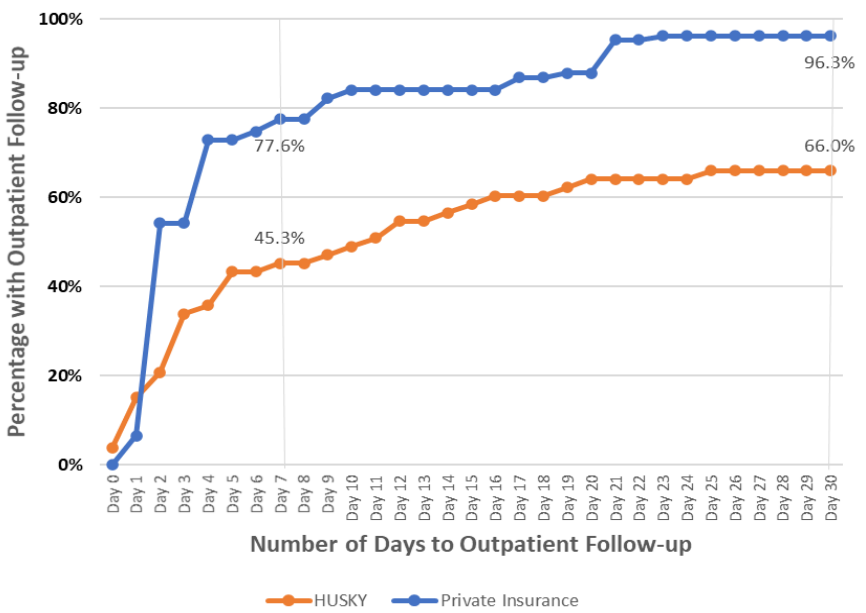
Follow-up* After Hospitalization for MHD and SUD, Ages 6 to 19

- ***Rates of follow-up after hospitalization for mental health disorder (MHD) were higher for HUSKY enrollees compared to Private Insurance enrollees ages 6 to 19 (57.3% versus 44.5% at 7 days and 78.7% versus 76.8% at 30 days)***
- ***Rates of follow-up after hospitalization for SUD were substantially higher for Private Insurance enrollees compared to HUSKY enrollees (96.3% compared to 66.0%)***

Mental Health Disorder



Substance Use Disorder

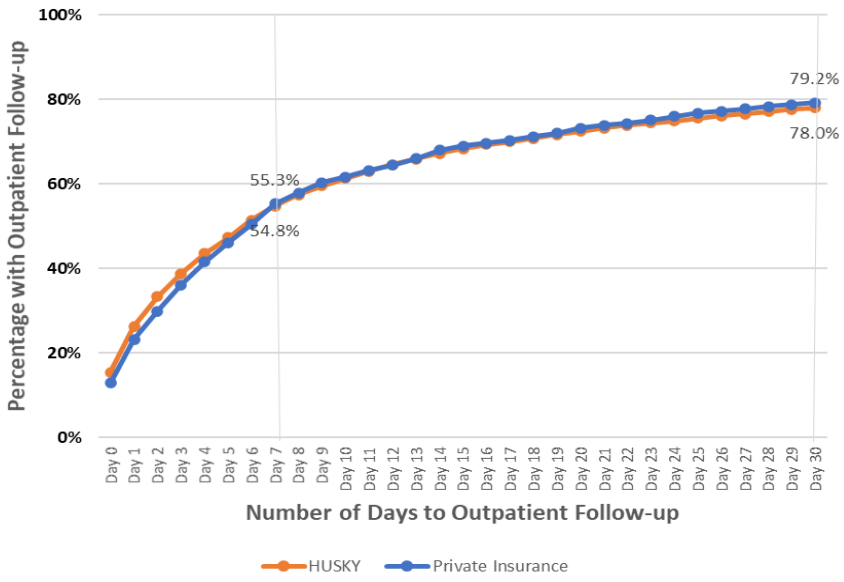


*Includes office-based care and outpatient care, intensive outpatient treatment, partial hospitalization, and residential treatment

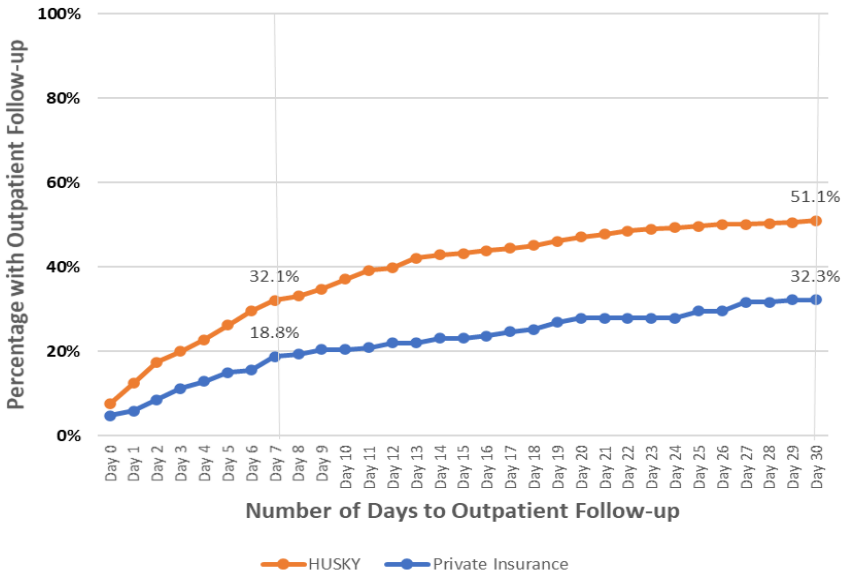
Follow-up* After Emergency Department Use for MHD and SUD, Ages 6 to 19

- ***Rates of follow-up after ED visit for mental health disorder (MHD) were nearly the same for HUSKY enrollees compared to Private Insurance enrollees ages 6 to 19, at nearly 80 percent by 30 days following discharge***
- ***Rates of follow-up ED use for SUD were substantially higher for HUSKY compared to Private Insurance enrollees (51.1% versus 32.3%)***

Mental Health Disorder



Substance Use Disorder



*Includes office-based care and outpatient care, intensive outpatient treatment, partial hospitalization, and residential treatment

Contents

- Study Background
- Behavioral Health Coverage Study
  - Behavioral Health Workforce Literature Review and Environmental Scan
  - Reimbursement Rate Analysis
  - Service Use Analysis
- Payment Parity Study
  - Department of Labor (DOL) Payment Parity Warning Signs Analysis
- Study Limitations

DOL Warning Signs Analysis Methodology

The Mental Health Parity and Addiction Equity Act (MHPAEA), as amended by the Patient Protection and Affordable Care Act (ACA) generally requires that group health plans and health insurance issuers offering group or individual health insurance coverage ensure that *the financial requirements and treatment limitations on mental health or substance use disorder benefits be no more restrictive than those on medical or surgical benefits.*

The Department of Labor (DOL) Payment Parity Warning Signs Analysis* evaluates behavioral health payment parity for CT issuers against benchmark rates

Methodology

- Compute reimbursement rates for common outpatient behavioral health (BH) and general medical services for CT issuers using the CT APCD
- Compare the issuer rates against benchmark rates for each service
- Compare reimbursement for behavioral health services to reimbursement for general medical care for each payer/issuer

*Based on the Provider Reimbursement Rate Warning Sign analysis methodology specified in the Department of Labor (DOL) Parity Self-Compliance Tool (DOL Tool): https://www.dol.gov/sites/dolgov/files/EBSA/laws-and-regulations/laws/mental-health-parity/self-compliance-tool.pdf

DOL Warning Signs Analysis
Key Findings (1 of 2)

HUSKY

- HUSKY has reimbursement rates that are lower than the benchmark across all BH and general medical services and provider types.
- While the lower reimbursement rates across all services may be cause for concern, there is no specific concern over BH payment parity in HUSKY.

Medicare Advantage (MA)

- MA is not subject to federal parity requirements, but is included for comparison purposes.
- The ratios for MA psychiatrists and neurologists are lower than rates for other physician specialties suggesting that physician-provided BH services are not in parity with physician-provided general medical services.

DOL Warning Signs Analysis Key Findings (2 of 2)

Private Insurance

- Three issuers in the state have rates that are near the benchmark or higher for nearly all services.
  - BH services have ratios that are in a similar range as the ratios for general medical services.
  - There are no parity concerns for these issuers.
- Four issuers have a preponderance of ratios for BH services that are lower than the benchmark, including several BH services that are less than 90 percent of the benchmark.
  - In contrast, most ratios for general medical services are near or above the benchmark.
  - The results for these issuers suggest potential parity concerns and warrant further investigation.

Contents

- Study Background
- Behavioral Health Coverage Study
  - Behavioral Health Workforce Literature Review and Environmental Scan
  - Reimbursement Rate Analysis
  - Service Use Analysis
- Payment Parity Study
  - Department of Labor (DOL) Payment Parity Warning Signs Analysis
- Study Limitations

Study Limitations

- The analytic results presented here are based solely on medical claims data from the APCD. Other sources of state funding that supplement public and private insurance payments—for example grant funds provided through the Department of Mental Health and Addiction Services—are not represented in the APCD and are not accounted for in the analyses.

- The Warning Signs analysis does not include payments for behavioral health services billed by facilities, although the individually-billed services could have been provided in facilities such as outpatient behavioral health clinics, nor does it include other sources of state funding for behavioral health services, for example state-operated behavioral health services including inpatient, outpatient, clinics, mobile crisis and grant funds provided through the Department of Mental Health and Addiction Services

- Because of the complex funding for facility-based behavioral health services, the analyses focused on professional medical claims (claims billed by individual doctors or other practitioners). Therefore, the Reimbursement Rate Analysis and the Payment Parity Warning Signs Analysis are relevant to professional claim payments to practitioners. This would include some services provided in facilities and billed by individual practitioners, but do not include payments billed by facilities or licensed behavioral health clinics.