OREGON
INDEPENDENT MENTAL
HEALTH PROFESSIONALS

OIMHP Testimony 1/31/19: Review of SB 860 Implementation
Senate Committee on Human Services

Senator Gelser and members of the committee, thank you for allowing me to speak to your committee today. My name is Patrick Mooney. I am a practicing clinical psychologist in Salem representing the views of our organization, the Oregon Independent Mental Health Professionals. We represent a cross-disciplinary group of licensed mental health clinicians including psychologists, social workers, marriage family therapists, professional counselors, and psychiatric mental health nurse practitioners. Our group drafted the original legislation which became SB 860, and this committee took ownership of that legislation and passed it.

We are very grateful to this committee for supporting our legislation designed to assure that Oregon citizens with mental health conditions receive insurance benefits equivalent to those with medical conditions. This has been the Holy Grail of federal mental health parity legislation of 1996 and 2008 and the Oregon mental health parity law of 2007.

However, despite these laws, health insurance companies have developed work-around strategies to restrict the funding of mental health services more severely than medical services. They have developed atypical reimbursement methodologies and utilization review policies to suppress behavioral health care providers' office visit rates – and therefore suppress access to these services. They often segment and then delegate the management of mental health benefits to for-profit managed care companies, which in turn restrict both funding and mental health services offered.

These restrictive practices have real world financial consequences for Oregon citizens with mental health problems. Mental health professionals are leaving under-reimbursed and over-managed insurance provider panels.

Recent national studies by Milliman and the National Alliance on Mental Illness found that more consumers were paying for expensive out-of-network mental health services than for out-of-network medical services because of non-equivalent benefit packages. Insurance companies funded their in-network medical providers better than their in-network mental health providers, driving patients with mental health disorders out-of-network to find an available provider, thus increasing their out-of-pocket expenses. This is discrimination.

The Oregon Independent Mental Health Professional group designed SB 860 to prevent the evasion of mental health parity laws. SB860 attempts to pin down the definition of insurance benefit parity by requiring the examination of time-based in-network office visits across both medical and mental health services—a service unit of care common to both disciplines. Prior to SB860, Oregon mental health parity legislation did not require precise apples to apples measurement of benefit equivalence. Without precision, insurance regulators were required to determine benefit parity across nearly 8000 medical procedural codes. How can surgery or an MRI be examined for equivalence to a psychotherapy

session? But, in their everyday office visits, doctors counsel their patients and so do therapists. So, SB860 directs an examination of the time-based office visit service unit to determine benefit equivalence across disciplines.

SB 860 directs the Department of Consumer and Business Services to examine the following:

- Historical trends of medical and mental health office visit reimbursement.
- Utilization management policies and procedures that restrict office visit use.
- Suppression of payment for longer office visits.
- Methodologies used to establish office visit reimbursement rates.

SB 860 empowers DCBS to adopt rules or take other measures based on the findings of the examinations to enforce parity requirements.

We are anxious to hear from DCBS to learn whether they have discovered what we have suspected for the last couple of decades—that the management of benefits between disciplines has <u>not</u> been equal and needs to be remedied to end discriminatory practices.

In particular, if possible, we would like insights into the following:

1. How far back in time did DCBS go in their examination of the two disciplines? The Oregon Mental Health Parity law went into effect 2007. Did DCBS go back that far to capture the true historical trend of non-equivalent funding?
2. How does DCBS examine medical and mental health benefit equivalence when an insurer establishes mental health office visit rates and utilization review procedures through a <u>managed care company</u>? Insurance companies often "off-shore" mental health benefits to manage care companies to restrict only therapist office visits, not physician office visits.
3. When an insurance company uses atypical methodology (i.e., managed care rates or non-standardized work value formulas) to set lower reimbursement for mental health therapists' office visits, how does DCBS determine whether this results in weaker or inadequate mental health provider panels?
4. How does DCBS plan to regulate emerging and ongoing violations of mental health parity as applied to office visits after this initial examination directed by SB 860? Case in point, even after SB860 became law, Regence Blue Cross increased psychiatrists' 60-minute office visit rates using a standardized work value formula while arbitrarily suppressing reimbursement rates for therapists offering the same 60-minute visit code. This can't go on.

Thank you for your consideration of our concerns. We appreciate your review of how well SB 860 is being implemented.

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Oregon Independent Mental Health Professionals