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Colorado Insurance Companies Fail to Provide Equal Access to Mental Health Care

New study finds behavioral health coverage across insurance companies - both in Colorado and throughout the country – is more limited than physical health coverage. Reimbursement rates for behavioral health have fallen dramatically behind primary care, forcing individuals to seek services out-of-network at higher costs.

Denver, December 4, 2019 — In the midst of an opioid epidemic and alarming suicide rates, Coloradans are finding it increasingly difficult to access affordable behavioral health care under their private insurance plans. A groundbreaking nationwide study by Milliman, an international actuarial firm — documented widening disparities in access to in-network services for mental health and substance use disorder treatment among 37 million employees and their families – shedding new light on this disturbing trend over a five-year period beginning in 2013.

The report shows that consumers receive behavioral health treatment through out-of-network providers at a far greater rate than physical health services, leading to challenges in accessing necessary supports and to higher costs.

Colorado Behavioral Healthcare Council’s CEO, Doyle Forrestal, stated, “this new data demonstrates what we have known in Colorado for many years; parity for behavioral health services is not being taken seriously by the companies that we have entrusted to uphold the law. Now, more than ever, it is time for communities and policy makers to demand action to reverse this trend.”

Lack of Parity in Colorado is Higher than National Average

The Report had the following major findings for Colorado:

- 1) There are large disparities in out-of-network utilization for behavioral health services compared to physical health.
- 2) There are disparities in provider reimbursement rates of behavioral healthcare providers compared to the primary care.

In this regard, Colorado's Preferred Provider Organizations (PPOs) are doing an extremely poor job in the area of behavioral healthcare, as can be seen below for 2017:

- a. In physical medicine, only 2.4% of PPO members received inpatient care from out of network providers, as compared to 18.7% for behavioral health.
- b. In the case of outpatient care, only 3.7% of PPO members received physical healthcare from out of network providers, as compared to 28.2% for behavioral health.
- c. For office visits, only 2.1% of primary care visits were out of network, 4.0% of medical/surgical visits were out of network, as compared to 19.3% for behavioral health.
- d. Office visits provided in network were reimbursed 23.9% higher than levels allowed by Medicare, while behavioral health office visits were 9.8% lower than allowed by Medicare.
- e. Colorado office visit providers received 37.3% higher reimbursement levels than their behavioral health counterparts for the same types of services.
- f. Colorado medical/surgical specialists also received 37.3% higher reimbursement levels than their behavioral health counterparts for the same types of services.

What can be done?

The Colorado Behavioral Healthcare Council believes there are ways to remedy this problem. For example, this report demonstrates that Colorado's PPOs are limiting access to behavioral health benefits because they do not have adequate behavioral health networks to take care of their members. Because provider payment disparities are common and generally increasing, if a plan finds that it is not parity-compliant in this area, it should increase its payment levels to behavioral healthcare providers.

An increase in payment rates could also lead to an increase in the desire of behavioral healthcare providers to join the health plan's provider network. In turn, this could lead to higher use of in-network services for behavioral healthcare, thereby addressing disparate out-of-network utilization rates between behavioral and medical/surgical healthcare.

Other studies have shown that improved access to behavioral healthcare services may have the potential to reduce overall health care spending because, as shown in a separate Milliman study, spending on "physical health" (i.e., medical/surgical) is approximately two to three times higher for patients with any ongoing behavioral diagnosis.

Lastly, more utilization of effective behavioral healthcare could improve the physical and mental health of the plan's members with mental health and substance use disorders, thus helping the plan achieve elements of the quadruple aim: (1) improving the health of insured members; (2) improving the consumer experience; (3) potentially reducing overall healthcare costs; and, (4) improving the providers' experience.

The entire Milliman report can be found here: <http://www.milliman.com/bowman/>

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ABOUT CBHC

The Colorado Behavioral Healthcare Council (CBHC) envisions a state where all people have the opportunity to lead healthy, purposeful lives. Our 23 member organizations represent a statewide network of integrated care providers and care management organizations, including all of Colorado's 17 Community Mental Health Centers, 4 Managed Services Organizations, and 2 specialty health clinics. Together, we strengthen Colorado communities by ensuring innovative care and supporting the health, wellbeing, and safety of all Coloradans.