

Report in Brief

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U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Audit

In 2021, nearly 58 million adults in the United States experienced some form of mental illness, and an estimated 46.3 million people aged 12 or older had a substance use disorder. Individuals seeking care for mental health and substance use disorder (MH/SUD) conditions often find that treatment operates in a separate, and often very disparate, system than treatment for medical/surgical care, even under the same health insurance coverage. Federal regulations were put in place to make it easier for people with MH/SUD conditions to access treatment and services by prohibiting coverage limitations that apply more restrictively to MH/SUD benefits than to medical/surgical benefits.

The objective of this audit was to determine whether CMS ensured that selected States complied with Medicaid managed care MH/SUD parity requirements.

How OIG Did This Audit

We selected eight States for review with Medicaid managed care contracts in effect on or after October 2, 2017 (the compliance date). We selected four States in which the State was required to conduct the parity analysis and four States in which managed care organizations (MCOs) were required to conduct the parity analysis. We reviewed CMS's approval of States' MCO contract provisions and its oversight of States' compliance with MH/SUD parity requirements.

CMS Did Not Ensure That Selected States Complied With Medicaid Managed Care Mental Health and Substance Use Disorder Parity Requirements

What OIG Found

CMS did not ensure that selected States complied with Medicaid managed care MH/SUD parity requirements. For all eight States we reviewed, State contracts with Medicaid MCOs did not contain required parity provisions by the compliance date. Further, States and their MCOs did not conduct required parity analyses (five States), and States did not make documentation of compliance available to the public by the compliance date (eight States). In addition, all eight States may not have ensured that all services were delivered to MCO enrollees in compliance with MH/SUD parity requirements. Specifically, MCOs applied financial requirements (two States) and quantitative treatment limitations (six States) for MH/SUD services that were more restrictive than those for medical/surgical services in the same classifications and imposed nonquantitative treatment limitations (eight States) on MH/SUD benefits that were not comparable to, or were more stringent than, those for medical/surgical benefits in the same classifications.

What OIG Recommends and CMS Comments

We recommend that CMS improve its oversight of States' compliance with MH/SUD parity requirements and require States to improve their monitoring of MCOs' ongoing compliance with MH/SUD parity requirements.

In written comments on our draft report, CMS concurred with our recommendations and described actions that it plans to take to address them. Specifically, CMS stated that it will take steps to strengthen its followup procedures for monitoring States' compliance with MH/SUD parity requirements, including steps for: (1) verifying that States have performed required parity analyses, (2) following up with States that have identified noncompliance with MH/SUD parity requirements, and (3) maintaining documentation of its communications with States relating to compliance with parity requirements and actions taken to correct any identified deficiencies. In addition, CMS stated that it will issue guidance to States to ensure MCOs' ongoing compliance with parity requirements.