



# The Cutting Edge

MENTAL HEALTH ASSOCIATION IN NJ

GOVERNMENT AFFAIRS UPDATE

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## Equality in Insurance Coverage for Mental Health and Substance Use Disorders

If you believe that all people have a right to medical care, you should be pleased. If you believe that coverage should be equal among diseases, including mental illness and substance use disorder, you should be cheering! *The April 11 signing of the Parity legislation was a great step forward!*

### How It Started

The concept of equality of insurance coverage for mental illness and substance use disorder was first established in Federal Law in 2008 through the Mental Health Parity and Addiction Equity Act (MHPAEA). In 2010 the Affordable Care Act (ACA) included behavioral health and was based on the belief that all people have the right to affordable medical care. These laws established the policy for the nation. It is each state's responsibility to decide how to reform its own inequitable healthcare system. With the passage of the Parity Law, New Jersey is one of only five states to have created a structure that will define parity accountability. Regulations must now be established to implement its purpose.

### What It Means

The Parity legislation that was signed into law by Governor Murphy on Thursday, April 11, established a process by which greater transparency and accountability are required of insurance carriers in concert with the Department of Insurance and Banking. Insurance companies are now charged with filing a report on the use of non-quantitative treatment limits (NQTLs) such as fail-first policies, step therapy, and prior authorizations to show that these limitations are no more stringent for mental health or substance use benefits than for medical/surgical benefits. These findings are to be annually filed with the Department of Banking and Insurance, who will organize and interpret data which is then presented to the legislature and made public once a year.

### Congratulations are in Order!

Several years ago the Parity Coalition was formed, consisting of major advocacy organizations, family groups, the insurance industry, and other mental health and

substance use entities. The National Council on Addiction and Drug Dependence and the Mental Health Association in New Jersey played leadership roles as the coalition met for over two years. The Parity Coalition worked, shaping, compromising and coalescing around language and intention.

Thanks to all of the organizations and individuals involved for working persistently to educate and promote the need and the process. The final product was enthusiastically supported by the legislature and the administration. While this step is key, much more needs to be done. The Coalition will continue to meet and develop next steps in the path to parity.

**Please stay involved, keep your voices loud,  
and stay tuned for next steps!**

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