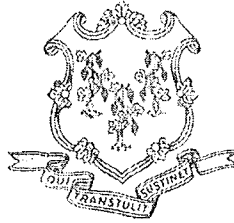


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State of Connecticut

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*Vice Chair*

Public Health Committee

*Member*

Finance, Revenue & Bonding Committee  
Transportation Committee

**TESTIMONY BEFORE INSURANCE AND REAL ESTATE COMMITTEE**

Tuesday, March 6, 2018

**In Support Of:**

**S.B. 384, AN ACT CONCERNING MENTAL HEALTH PARITY, DATA REPORTED  
BY MANAGED CARE ORGANIZATIONS AND THE ALL-PAYER CLAIMS  
DATABASE**

Dear Chairman Timothy D. Larson, Chairman Kevin C. Kelly, Chairman Sean Scanlon, Ranking Member Robert C. Sampson and Members of the Insurance and Real Estate Committee:

I am testifying **IN SUPPORT** of **S.B. 384, AN ACT CONCERNING MENTAL HEALTH PARITY, DATA REPORTED BY MANAGED CARE ORGANIZATIONS AND THE ALL-PAYER CLAIMS DATABASE**, a bill that will address the enormous discrepancies in Connecticut between health plan provider networks of medical/surgical participants and panels of providers of mental health and addiction services.

It has been 10 years since the passage of the federal Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA), with its goal to make mental health and substance abuse treatment just as easy to get as any other health condition. Yet, in the midst of an opioid addiction crisis and spike in suicides, Connecticut patients still have trouble accessing mental health treatment. Why? Over the last decade, most Connecticut insurance companies have made progress in eliminating the obvious differentials in treatment limitations such as copays, coinsurance and deductibles. However, true parity has remained elusive in part because of the more subtle ways that insurers deliver benefits, including the size of provider networks. Simply said, health plans have not contracted with enough mental health providers to meet the need of their policyholders.

The stark and undeniable differences between out-of-network utilization rates for behavioral health and medical/surgical services in Connecticut is alarming and unacceptable. A November 2017 report by Milliman, a leading independent consulting and actuarial firm, found that in Connecticut, 34% of mental health office visits were out-of-network, compared with only 3% for medical/surgical utilization, a nearly 11-fold difference, and one of the largest discrepancies of any state in the nation. In response to the explosive Milliman report, Henry Harbin, former CEO of Magellan Health, commented to a Kaiser Health news reporter, "I was surprised it was this bad. This is a wake-up call for employers, regulators and plans themselves that whatever they're doing, they're making it difficult for consumers to get treatment for all these illnesses. They're failing miserably." The time for Connecticut to act is now.

Connecticut's high proportion of out-of-network behavioral care means that Connecticut's mental health and substance abuse patients are far less likely to find a provider who takes their insurance and far more likely to face high out-of-pocket costs when they are forced to seek treatment for the 34% of the time that they visit an out-of-network provider. The high proportion of out-of-network behavioral care means that mental health and substance abuse patients are far more likely to face high out-of-pocket costs that can make treatment unaffordable, even for those with insurance. Cost is one of the most common reasons people give for not getting needed mental health care.

To its credit, the Connecticut General Assembly made a significant attempt to address the issue of behavioral health network adequacy in 2014, when it passed H.B. 5373 unanimously by both chambers. Unfortunately, Governor Malloy vetoed the bill. I support the Insurance and Real Estate Committee's efforts to reintroduce this legislation in light of the specific problems identified in the Milliman analysis. To view the Milliman report, visit <http://www.milliman.com/insight/2017/Impact-of-Mental-Health-Parity-and-Addiction-Equity-Act/>.

Respectfully,



Senator Ted Kennedy, Jr.  
12th Senate District