



# Access to Substance Use Treatment for Insured Youth

## Background

In April 2012, the program review committee authorized a study to assess insurer coverage and enrollee utilization of substance use treatment. In addition, the project aims to examine supply and demand for those treatment services. The study is limited to youth ages 12-25 who have private (i.e., commercial) or Medicaid insurance.

In Connecticut, about 8% of youth ages 12-17 and 24% of those ages 18-25 have met the clinical criteria for abuse or dependence on alcohol or an illicit drug, within the past year, according to a recent federal survey. Research estimates indicate a substantial portion of those needing treatment do not receive it, perhaps due, in part, to insurance coverage and capacity issues.

Commercial health plans that are fully insured generally are regulated by the state, while self-insured plans (in which the employer assumes the financial risk of coverage) and Medicaid are subject to federal oversight. Plan coverage of substance use treatment is affected by mental health parity laws at both government levels.

A Connecticut resident with a health plan coverage complaint may seek assistance from the state's insurance department, Office of the Healthcare Advocate, and Office of the Attorney General. If the plan is self-insured or a government plan, certain federal or state agencies may be more appropriate venues for grievances.

This report, which focuses on the insurance aspect of care accessibility, is based on: interviews with staff from multiple state agencies and offices, advocates, treatment providers, and researchers; review of state and federal laws, as well as literature on substance use treatment; health plan and Medicaid data; and practitioner survey results.

A second report, examining treatment services capacity and overarching issues, will be issued in early 2013.

## Main Findings

**The Connecticut Insurance Department (CID) does not sufficiently oversee behavioral health care coverage.** CID does not check that fully-insured plans (the limits of its jurisdiction) comply with all aspects of the federal parity laws. It also does not use data received from the plans to detect and resolve potential problems in how plans determine, through the utilization review process, whether requested behavioral health care is covered in an individual situation.

**The state's Medicaid program offers a slightly wider range of substance use treatment options and has higher coverage approval rates, compared to fully-insured commercial plans.** The Behavioral Health Partnership (BHP) has in-home treatment options available to some groups. Contrary to some perceptions, the commercial plans do authorize substance use treatment coverage - even at high levels of treatment. However, the 2011 authorization rates are lower than BHP's, and vary among plans and levels. The fully-insured plans' approval rate for residential treatment (73%) is the lowest among the levels of care.

**Fully-insured plans are not required to make initial coverage decisions using practitioners and criteria that would be the most appropriate.** The practitioner does not need special expertise or to use the manual widely agreed to represent consensus on the necessary level of care and duration of treatment for a particular client.

**There are appeals processes available, but most coverage denials are not appealed.** Denial notices are not required to indicate that state agency assistance with appeals is free or what types of documentation could help an appeal succeed.

## PRI Recommendations

**Numerous recommendations have the overall goal of improving insured youth's access to appropriate treatment.** This is a critical goal because substance use has tremendous costs to society, families, and individuals. It can and does result in direct and indirect cost-shifting from the private to public sector.

The report's recommendations, taken together, aim to accomplish 3 goals:

1. **Improve CID oversight**, by instituting a new check of plan compliance with the federal parity law and requiring the plans' data be used to actively monitor utilization review results
2. **Require substance use treatment coverage decisions be made more quickly and appropriately**, by having stricter requirements about the decision timeframe and methods
3. **Make the appeals process more user-friendly**, by being explicit about the availability of free state office assistance and how to support an appeal