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Report: Health Providers Treating Substance Use Paid Lower-Than-Medicare Rates

NH Insurance Department Will Look at Parity Implications in Future Exam

CONCORD, NH -- The NH Insurance Department has released a new analytical report showing that in 2014 and 2015, private health insurance companies paid health providers less than Medicare rates for the most common services associated with treatment of substance use disorders. The study is a part of the Insurance Department's broader focus on the substance use crisis in New Hampshire.

The report released today looks at 2014 and 2015 paid claims data from the state's all-payer claims database.ⁱ The analysis compares the level of reimbursements made by private insurers to health care providers treating substance use disorders to those made by Medicare to health providers for similar services.

The report is the product of an analysis performed by Compass Health Analytics for the Insurance Department. It includes data for Aetna, Anthem, Cigna, Harvard Pilgrim and United Healthcare, both for fully-insured coverage and for coverage in which the company is serving as the claims administrator for a self-funded employer.ⁱⁱ It is available on the Department's website:

http://www.nh.gov/insurance/reports/documents/080516_nh_id_analysis_of_claims_for_substance_use_disorder_pricing.pdf. (It is important to note that the report is distinct from the Department's ongoing and previously publicized examination of whether insurance companies are complying with legal coverage requirements for substance use disorder services.)

"This report shows that commercial insurance companies consistently pay health care providers less than Medicare rates for treating patients with substance use disorders," said New Hampshire Insurance Commissioner Roger Seigny. "This study raises some important questions, such as whether low payment rates affect the ability of the health care system to meet the current level of demand for treatment and whether these payment rates comply with federal mental health parity requirements. We plan to follow up on this information with a formal examination."

The Insurance Department expects to incorporate a review of this aspect of insurance companies' compliance with mental health parity laws into a future "market conduct" examination -- a formal examination of an insurance company's business practices, involving a detailed review of claims handling information received directly from the companies on a confidential basis.

Since December, the Department has been working on a market conduct examination that looks at whether three of the state's largest health insurance companies are complying with applicable legal requirements, including mental health parity laws. The current exam focuses on how insurance companies handled preauthorization, claim denials, and utilization review practices for substance use disorder claims in 2015. Preliminary results of the examination were released in February (http://www.nh.gov/insurance/consumers/documents/021916_nh_id_sud_preliminary_exam_results_pr

[esentation.pdf](#)); the Department expects to conclude the full exam, and release findings to the public, this fall.

The questions raised by today's report will be the subject of a separate examination, as they represent a new area of focus for the Department. Insurance regulators typically do not oversee or regulate the reimbursement rates paid by private insurance companies to health care providers. Instead, these rates are the result of confidential contract negotiations between the companies and the providers. However, newly applicable federal mental health parity requirements do include a comparison of reimbursement rates for behavioral health services, as compared to medical-surgical services. The Department is planning to include a closer look at these practices in future market conduct exams and is also in the process of applying for a federal grant which will support its continued work in the area of mental health parity compliance.

The Insurance Department's Focus on Substance Use Disorder Coverage

- In February, the Department released a report that looked at frequency, cost, and treatment patterns of opiate substance use treatment by the commercially insured population in the state: http://www.nh.gov/insurance/consumers/documents/021916_nhhd_analysis_2014_sud_claims.pdf
- The Department has also recently created a Behavioral Health and Addiction Services Advisory Committee: <http://www.nh.gov/insurance/media/pr/2016/documents/062316.pdf>
 - The Department will announce members of the committee, as well as details on its public meetings, within the week. To receive email updates, please sign up here: <http://visitor.r20.constantcontact.com/d.jsp?llr=ygzv4fxab&p=oi&m=1124408681688&sit=4n5wclqkb&f=7fc1f348-1f14-4436-9f07-684662d74530>

ⁱ Since 2003, the Insurance Department has collected health care claims data from insurers and claims administrators. All personally-identifiable information is first removed, and never becomes part of the database. The Department uses health care claims data to provide health cost information to the public through the department's NH HealthCost website: <http://nhhealthcost.nh.gov/>. The Department also uses the database to conduct analyses that inform public policy discussions, and provide employers, policymakers, payers, and health care providers with vital information about rising health care costs in New Hampshire.

ⁱⁱ Not all of the coverage examined in the report issued today falls under the Insurance Department's jurisdiction. The Department is responsible for overseeing insurance companies' compliance with laws such as the mental health parity laws with respect to fully-insured coverage in New Hampshire. Other regulators including the U.S. Department of Labor enforce these requirements with respect to self-funded employer coverage.