

TO: Valued New West Agents, Group Leaders, Providers and other Customers

RE: Please review the following Federal Mental Health Parity Act and State of Montana Autism Mandate information as these relate to New West Coverage Changes.

I. Federal Mental Health Parity Act:

The Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 requires that group health plans and group health insurers apply the same predominant treatment and financial limits for medical and surgical benefits to mental health and substance use disorder benefits effective November 1, 2009.

- WHO DOES THIS AFFECT?
 - New West will be applying this Parity Law to new **large groups (those with 51 or more eligible employees, including large group associations) as of the effective date and existing large groups, upon their renewal dates, as of November 1, 2009;**
 - This will not be applied to small groups or individuals insured by New West.
 - Medicare Advantage, Self-Insured, and Federal Employer groups will continue to have their self-designed benefits applied and are not affected by this change.

 - WHAT DOES THIS MEAN?
 - The current behavioral health coverage **limits** will still apply to small groups and individuals, unless they have a severe diagnosis of Schizophrenia, Schizoaffective Disorder, Bipolar Disorder, Major Depression, Panic Disorder, Obsessive- Compulsive Disorder, or Autism (which is consistent with current Montana law for severe mental health diagnoses).
 - The current **limits will no longer apply to large groups** (e.g., the 21 day limit on inpatient Mental Health stays will no longer be in place, the outpatient limit of \$2000 will no longer be in place, and the \$6000 limit on Chemical Dependency will no longer be in place.) Therefore, the mental health benefits for large groups will now be in parity with the medical benefits.

 - WHAT WILL CHANGE?
 - New West's approach to contain costs around this parity issue will be continued medical management practices as we have always reviewed inpatient admissions to ensure medical necessity. We will extend the same stringent management used in physical health to mental health hospitalizations as well.
 - In addition, **New West will require treatment plans for members of large groups who appear to be receiving behavioral health sessions in excess of what would typically be anticipated for the condition** (ranging from 8 to 15 sessions on average). This will require providers to submit individualized treatment plans to New West that highlight specific, measurable goals using evidence-based practices to ensure medical necessity for on-going outpatient care for both mental health and chemical dependency treatment.
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Note: Coverage under both of these changes may be subject to deductibles, coinsurance, and co-payment provisions.

Mental Health services rendered by non-contracted providers will continue to process at the out of network benefit levels, as applicable to the member's plan, just as they do with medical benefits.

- **Note: Residential care will no longer be covered for new contracts, nor existing contracts, upon renewal, after January 1, 2010 as part of a benefit change and is not mandated by the Parity Law. This includes large group, small group, and individual contracts. This care refers to facility based mental health or chemical dependency treatment. The levels of care that are covered as alternatives to residential care are acute inpatient care, intensive and standard outpatient therapy, and partial hospitalization, all of which will help to provide the needed mental health support for our members.**
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II. State of Montana Autism Mandate

The State of Montana, 61st Legislature, passed SB234.05 which becomes effective January 1, 2010 for all contracts issued on or after the effective date. Essentially, it states that insurance carriers must provide coverage for diagnosis and treatment of autism spectrum disorders for covered dependents 18 years of age or younger.

Coverage must include habilitative or rehabilitative care that is prescribed, provided, or ordered by a licensed physician or psychologist, including but not limited to medically necessary professional counseling, guidance services and treatment programs to develop, maintain, and restore, to the maximum extent practicable, the functioning of the covered child; medications prescribed by a licensed physician; psychiatric or psychological care; and therapeutic care that is provided by a dietitian registered in Montana or by a speech-language pathologist, audiologist, nutritionist, occupational therapist, or physical therapist licensed in Montana. Definitions for much of the language around this mandated coverage have been added to the New West 2010 benefit booklets for further reference.

- **WHO DOES THIS AFFECT?**
- New West will apply this mandated Autism coverage to all newly insured small and large **groups and individuals, and existing customers upon their renewal, on or after January 1, 2010.**
- Medicare Advantage, Self-Insured, and Federal Employer groups will continue to have their self-designed benefits applied and are not affected by this New West coverage change.
- Coverage under this mandate must be provided to a child diagnosed with one of one of the following disorders as defined by the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders: (a) autistic disorder; (b) Asperger's disorder; or (c) pervasive developmental disorder not otherwise specified.

- **WHAT DOES THIS MEAN?**
- Due to a direct conflict with the new Federal Parity act, **large groups will no longer have coverage limits applied for members treated for autism**, as this is considered a severe mental illness.
- The newly mandated Autism coverage **limits** will apply to small groups and individuals as follows:
Ages 8 and under: \$50,000 annually, and Ages 9 through 18: \$20,000 annually.

- **WHAT WILL CHANGE?**
- New West will continue to review all hospital admissions. We will now require treatment plans every 6 months for members treated for autism, as allowed by this mandate. This will help ensure quality care is delivered, and that medical necessity guidelines for treatment are followed, by requiring providers to submit individualized plans to New West for on-going outpatient care for autistic disorders, Asperger's disorder, or pervasive developmental disorders.