

Q&A OREGON MENTAL HEALTH PARITY LAW FOR PROVIDERS

PROVIDERS: Frequently Asked Questions About Mental Health Parity

Q: What is Oregon mental health parity?

A: The mental health parity law (Senate Bill 1) was passed by the 2005 Oregon Legislature. It requires group health insurance policies to cover treatment of chemical dependency and mental or nervous conditions at the same level and with no more restrictions than those imposed for other medical conditions.

Q: When did the Oregon mental health parity law take effect?

A: The law was effective January 1, 2007, for new group health insurance policies and, for renewal policies, the first renewal date after January 1, 2007. Please contact your insurance company representative to confirm the effective date of parity for your plan.

Q: Does mental health parity apply to all types of health insurance?

A: No. The law doesn't apply to the following types of insurance:

- Individual health insurance plans
- Self-insured employer group health plans
- Medicare
- Medicaid

Q: What is a “mental or nervous condition”?

A: A mental or nervous condition is defined as any disorder listed in the “Diagnostic and Statistical Manual of Mental Disorders,” published by the American Psychiatric Association, except:

- **Mental Retardation:** DSM code 317 Mild, 318.0 Moderate, 318.1 Severe, 318.2 Profound, 319 Severity unspecified.
- **Learning Disorders:** DSM Code 315.00 Reading, 315.1 Math, 315.2 Disorders of Writing Expression, 315.9 Not otherwise specified.
- **Gender Identity Disorder:** DSM code 302.85 Adults, 302.6 Gender identity disorder not otherwise specified, 302.9 Sexual disorders not otherwise specified.

Note: Gender identity disorder in children 18 or younger is covered, and the following “V” codes are covered: V15.81 through V71.09.

Note: In children five years or younger, the following “V” codes are covered: V61.20 Parent child relationship problems, V61.21 Neglect, Physical Abuse, or Sexual Abuse of Child, and V62.82 Bereavement.

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Q: Can my insurance company require me to pay more for mental health prescription drugs than for drugs for physical health conditions?

A: Insurers must use the same classification of prescription drugs, such as open, closed or tiered drug benefit formularies, for both mental and physical conditions. You may be charged more if your mental health provider prescribes a preferred brand drug instead of a generic brand.

Q: Are treatment plan review procedures the same whether a provider is participating, preferred, or non-participating?

A: Yes, the treatment plan review procedures are the same for all professionals.

Q: How is “medical necessity” defined?

A: The law does not define medical necessity, but it does require insurance policies to contain a single definition of medical necessity that applies uniformly to all medical, mental or nervous conditions, and chemical dependency, including alcoholism. Contact your insurance company directly to get the policy definition.

Q: My patient’s insurance company is now requiring preauthorization and treatment plans. They have never required these before. Can the insurance company require all mental health treatment to be preauthorized?

A: Coverage for expenses for treatment of mental or nervous conditions and chemical dependency, including alcoholism, may be managed through common methods that include selectively contracted panels, health policy benefit differential designs, preadmission screening, prior authorization, case management, utilization review, or other mechanisms designed to limit eligible expenses to treatment that is medically necessary in the same manner that such methods are used for other medical conditions.

Q: What if an insurer denies coverage for mental health or substance abuse services that I believe are medically necessary, or the insurer says the treatment is experimental or investigational?

A: Consumers may appeal such denials both internally or externally through an independent external review organization.

Q: Who should consumers contact if they have questions about the Oregon parity law or other insurance questions?

A: Free help is available from the Consumer Advocacy Unit of the Oregon Insurance Division for consumers with insurance questions and complaints.

**Consumer Advocacy Unit
Oregon Insurance Division
PO Box 14480
Salem, Oregon 97309-0405
(888) 877-4894 (toll-free)
(503) 947-7984 (Salem area)
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