Statement of the
ILLINOIS HEALTH
AND HOSPITAL
ASSOCIATION

December 4, 2017

Patrick Gallagher
Senior Vice President, Health Policy and Finance
Illinois Health and Hospital Association

Illinois House Mental Health Committee

Subject Matter Hearing: Reported Barriers to Mental Health and Addiction Coverage by Illinois Providers

C-600, 6th Floor Michael A. Bilandic Building
Chicago, IL

FOR FURTHER INFORMATION
CONTACT:
Patrick Gallagher
630-276-5496
pgallagher@team-iha.org
Good morning, Chairperson Conroy, Vice Chairperson Fine, Republican Spokesperson Demmer and members of the House Mental Health Committee.

I am Patrick Gallagher, Senior Vice President, Health Policy and Finance of the Illinois Health and Hospital Association (IHA).

On behalf of the over 200 hospital and 50 health system members of IHA, I want to thank you for the opportunity to comment on the critical issue of ensuring that patients do not experience unnecessary barriers to coverage for mental health and addiction services. We have heard reports from our members that barriers to coverage exist and are preventing patients from receiving care at the right time and in the right setting, while at the same time increasing the administrative and financial burden on providers.

Our members’ collaboration in The Kennedy Forum survey, adding up to nearly 200 healthcare organizations and providers across the continuum of care, was self-reported and voluntary. We view the survey results as the first step in gaining a better understanding of the difficulty patients are experiencing in receiving behavioral health services, as additional information is needed.

Acknowledging the need for further investigation, the study reflects that providers in Illinois face obstacles from commercial insurers and Medicaid managed care organizations (MCOs) -- including a high percentage of treatment coverage denials due to medical management review criteria that is observed as too restrictive, despite patients meeting the appropriate criteria outlining the severity of their illness. Examples include coverage denials for stays within a hospital beyond three days because they are cited as not medically necessary, despite patients experiencing symptoms of acute substance withdrawal, active suicidal ideation or side effects from medication.
The study also reflected member discussions on provider difficulty obtaining reasons for denied insurance claims, with more than 2 in 3 respondents reporting that plans have refused to provide requested medical necessity criteria, although legally required to do so.

The outcomes shared in the report have brought attention to these provider concerns, as well as issues such as requirements that patients fail first on lower-cost medications or treatments prior to moving forward with a recommended course of action and difficulty joining plan networks.

Recognizing these obstacles, steps that are being taken to improve administrative coordination should not be overlooked, and we appreciate the Department of Healthcare and Family Services’ (HFS) commitment to provide increased oversight of the Medicaid MCOs.

Moving toward a solution, we must also recognize that it cannot be the responsibility of providers or patients to enforce parity laws.

We urge HFS and the Department of Insurance to ensure that health plans are fully complying with parity laws, particularly with respect to non-quantitative treatment limitations, including medical management practices, utilization review, and step therapy protocols. We also support legislation such as House Bill 68, sponsored by Representative Lang, which would increase transparency of health plans' practices and help improve enforcement of the parity laws.

IHA and the hospital community are committed to improving access to mental health and addiction treatment, and look forward to continue working with this committee and the General Assembly on appropriate and workable approaches to ensure barriers to mental health and addiction coverage are removed.

Thank you for this opportunity to provide testimony, and please feel free to contact me with any questions you have on this important issue.