

# Case Study

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## **Illinois Mental Health and Substance Use Disorders Parity:**

### *A Lesson in Importance of Provider Advocacy, Solution-Focus, and Collaboration*

In a rapidly changing healthcare environment, behavioral health care providers and their respective associations are hungry for information and eager to develop strategies that can help them navigate the wide range of regulatory, policy, funding, business and clinical challenges confronting them today. From state level implementation of the Federal Mental Health Parity and Addiction Equity Act (parity), to definitions of Essential Health Benefits, to development of Health Insurance Exchanges, to the adoption of electronic health records, many providers are strained if not paralyzed by the scope of impending changes. Others are simply hoping that changes will not happen. However, some organizations have stepped up, recognizing that they can become a part of the solution by taking a proactive approach, insisting on a seat at the table where changes are being discussed, and building coalitions and relationships to ensure that substance use disorder services continue to be an integral part of the future of healthcare in the United States.

#### ***Purpose***

The purpose of this *AHP Case Study* is to highlight the work one such forward-thinking organization has undertaken to develop a comprehensive plan to implement Federal parity legislation at the state level. The Illinois Alcoholism and Drug Dependence Association (IADDA) – based in Springfield Illinois and led by CEO Sara Howe - engaged in a broad and inclusive strategy to prepare its constituent agencies for parity and health care reform.

While personalities, relationships, and processes are unique in every state, it is possible to extrapolate from the many lessons learned in the Illinois experience a general framework for next steps in your state. Other associations and organizations are encouraged to use this case study as a general blueprint for similar work in their states.

#### ***IADDA: About the Association***

IADDA is a statewide advocacy association representing 54 substance abuse prevention, treatment and recovery agencies in Illinois. IADDA's membership comprises about one-third of all state-funded providers in Illinois and those members account for approximately 70% of state funding for addiction services. Over the last five years, IADDA has battled against deep state budget cuts to addiction services. While the state has made some reductions in funding, advocacy efforts by the Association staff and the membership has successfully staved off most of the deepest cuts or worked to see funds reinstated. As a result of the intense advocacy work in recent years, IADDA has cultivated many important relationships with key legislators. Additionally, IADDA is seen as an advocacy force to be reckoned with and has solidified its position as the most reliable subject matter expert where substance use disorder prevention, treatment and recovery in Illinois are concerned. The Association's reputation as a leader in

the field has resulted in invitations to IADDA's leadership to be a part of critical state level discussions when and where talk turns to substance use disorder services.

### ***Background: the History of Parity in Illinois***

Parity for substance use disorders had long been a legislative agenda item for IADDA. For as long as the issue had been talked about at the Federal level, the Association had worked unsuccessfully to achieve parity at the state level. It wasn't until the Federal parity act was passed that advocates in Illinois were finally able to gain traction around the issue. Working with expert consultants from Advocates for Human Potential (AHP) and attorneys from the firm of Popovits and Robinson, IADDA drafted and submitted comments on the Interim Final Rule (IFR) and were watching closely for any changes to the IFR. Simultaneously, in 2010, legislation was introduced in the Illinois General Assembly to implement parity at the state level. The measure failed.

However, state leaders and advocates were determined. In the summer of 2010 following the failed legislative effort the previous spring, Illinois Department of Insurance Director Michael McRaith formed a coalition of providers, advocates, and associations to look at state level parity legislation. The coalition provided feedback to Director McRaith on what provisions should be included in the legislation. IADDA, in consultation with AHP and Popovits and Robinson, developed a set of recommendations that were then sent to the Director for consideration and inclusion into the proposed legislation. When the legislation was introduced, nearly 85 percent of IADDA's recommendations regarding parity for substance use disorder services had been included. This was an exciting achievement for IADDA members and staff. Parity for their services looked imminent.

Prior to introduction of the bill, IADDA met with Director McRaith and detailed their IFR comments to the Federal Department of Health and Human Services, pledging their support and assistance to the state-level effort McRaith was leading. The first hurdle - introducing the legislation - had been overcome successfully but the truly challenging work had yet to begin. McRaith needed IADDA to help identify and recruit legislative supporters who would get behind the bill and secure its passage. McRaith presumed that opposition could very well come from the insurance industry and that the industry might attempt to halt any forward momentum of a bill they found unreasonable.

The IADDA Board had agreed that passage of parity legislation was critical to their collective future so they called on the Association's *Parity and Health Care Reform Task Force* to lead the effort. The parity legislation effort became a primary objective for IADDA during the 2011 legislative session. The Association committed the majority of its efforts and resources to ensuring its passage and committed to uniting the Association membership around the legislation. With consultation and guidance from AHP and Popovits and Robinson, IADDA developed a clear position with respect to the more dense and detailed aspects of parity regulations; talking points; letters and other provocative materials for members who were directed to meet with their respective community stakeholders and legislators. Regular legislative updates went out to members, keeping the Association aware and invested in the bill's passage. All members were asked to reach out to their local legislators to educate them about the importance of parity in healthcare coverage in general and the need for ensuring substance use disorder services in the parity bill specifically. The legislation passed the House with relative ease and all substance use disorder provisions recommended by IADDA remained intact. The bill headed to the Senate.

Once the legislation landed in the Senate, it stalled. The insurance industry objected to several provisions related to autism coverage. The legislation had garnered significant momentum, however, and after a meeting between insurance industry representatives, key senators and the Senate sponsor, who was strongly committed to passing the bill, the objectionable autism provisions were removed. The bill passed the Senate the day before Director McRaith left his post at the Illinois Department of Insurance for Washington, DC, where he was appointed by President Obama to serve as the director of the new *Federal Center for Consumer Information & Insurance Oversight (CCIIO)*.

The bill was signed into law on August 18, 2011, by Illinois Governor Pat Quinn and applies to employer-sponsored coverage for groups of 50 or more employees as well as to Medicaid managed care plans operating in Illinois.

### ***Illinois Parity Legislation: A Lesson in Cooperation and Persistence***

**Covered Providers** - While the passage of the Federal legislation served as the catalyst, Illinois leaders needed to successfully pass parity in Illinois. The Illinois law is unique and exceeds the Federal law in several ways. The Illinois law specifically identifies, by name, *community-based providers, licensed or certified through the Illinois Department of Human Services in accordance with the Illinois Alcoholism and other Drug Abuse and Dependency Act*. This is a critical achievement as most commercial payers and issuers have established a preference for licensed masters, Ph.D. and M.D.-level providers, eliminating opportunities for most of the field's certified alcohol and drug counselors. Illinois law now makes that practice a thing of the past, opening many doors for existing providers into new markets.

**Level of Care Guidelines** - The new law requires medical necessity determinations to be made in accordance with appropriate patient placement criteria established by the American Society of Addiction Medicine (ASAM). AHP felt strongly that this move was vitally important to clarifying and specifying an ambiguity in the Federal law and IFR - medical necessity guidelines for mental health and substance use disorders – which the IFR leaves up to state and health plan discretion, expecting only that they meet *generally accepted medical standards*. This particular stipulation assures the treatment providers in Illinois that relevant guidelines will be used when utilization review decisions are made concerning coverage for SUD treatment in a managed care context. In effect, Illinois payers and utilization management firms must now use guidelines developed by the field for the field as opposed to proprietary standards or strictly medical decision support tools that do not account for the clinical appropriateness and effectiveness of SUD treatment.

**Residential/Sub-Acute Inpatient** - Additionally, in a significant victory for Illinoisans and their providers, the law identifies residential/sub-acute inpatient treatment services under the definition of inpatient treatment, requiring parity in coverage. Unlike any other state in the country, Illinois' parity law proactively and significantly improves access to treatment.

The Illinois law implements addiction equity as it was intended, an objective the SUD field has been fighting for years to ensure. This important work and outcome sets the precedent for other states who can now point to Illinois' law as a viable solution.

### ***Lessons learned: Commitment and Vision***

- **Dedication to the Cause** - Parity had appeared on the legislative agenda for years to no avail. IADDA, therefore, needed to commit significant resources—human and financial—to building

consensus and securing passage of the bill. The IADDA Board of Directors did not hesitate to make the necessary commitment to the effort. Parity became the marquee effort for the Association in the spring of 2011.

- **Expert Advice and Solution Focus** - IADDA understood that to shepherd a successful effort, they needed direction, guidance and advice. To that end they developed a multi-pronged approach, identifying senior consultants and subject matter experts at AHP who proved critical to analyzing Illinois' existing regulatory landscape, facilitating a strategic process, and developing specific answers to vexing questions regarding scope of service in health plan coverage and level of care guidelines. AHP and IADDA developed answers for legislators concerned with what conditions and diagnoses to cover, what services to cover, and what kinds of providers to cover. The firm of Popovits and Robinson then played a critical role in helping to craft legislative language.
- **Mutual Benefit** - IADDA understood that the effort would require the cooperation of many advocacy and stakeholders organizations, consumer groups, and state agencies. The Department of Insurance assembled the Department of Human Services and the Department of Healthcare and Family Services as a part of its working coalition. This level of coordination across state-level systems is unusual though absolutely critical to success.
- **Respectful Relationships** - The positive and mutually-reinforcing relationships IADDA had developed and nurtured prior to the 2011 legislative session allowed Association members to return to key legislators at a critical juncture, seeking their support to pass the parity legislation. IADDA's relationship with Director McRaith was also essential to the Association's success.
- **Determination** - IADDA leadership recognized early in the process that the Association needed to be a critical part of the healthcare reform discussion on multiple levels. IADDA leadership acknowledged that this process was and is about long-term systems change which requires many months and years of concerted effort and management.

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For more information concerning the Mental Health Parity and Addiction Act, the Affordable Care Act and state health insurance and managed care regulation impact on behavioral health coverage, treatment, and providers, contact AHP Healthcare Solutions. Questions can be directed to Patrick Gauthier, Director at [pgauthier@ahpnet.com](mailto:pgauthier@ahpnet.com).

You can learn more about IADDA by visiting [www.iadda.org](http://www.iadda.org) and you can familiarize yourself with AHP by visiting [www.ahpnet.com](http://www.ahpnet.com) and [www.ahphealthcaresolutions.com](http://www.ahphealthcaresolutions.com).