

## CA Ruling on Autism and Mental Health Parity

The District Court for the Northern District of California has issued a ruling that excluding from coverage certain procedures related to the treatment of autism violates the Mental Health Parity and Addiction Equity Act (MHPAEA). The lawsuit was filed in response to a health plan's decision to deny coverage for Applied Behavioral Analysis (ABA) and Intensive Behavioral Therapies (IBT), in spite of the fact that the plan covered Autism Spectrum Disorder.

### **Background**

- The MHPAEA requires financial arrangements (e.g., coinsurance, copays, deductibles, out-of-pocket maximums) and treatment limitations (e.g., frequency of visits, number of visits, processes, evidentiary standards) associated with mental health or substance use disorder (MH/SUD) benefits be no more restrictive than the predominant financial requirements/treatment limitations applied to medical/surgical benefits in the same classification.
- Plans may impose limits on coverage for MH/SUD benefits, but in order to meet the standard for mental health parity, there must be similar limits in place on medical and surgical benefits in the same classification.
- The classifications of benefits requiring parity are:
  - Inpatient benefits (both in- and out-of-network)
  - Outpatient benefits (both in- and out-of-network)
  - Emergency care benefits
  - Prescription drug benefits

- MHPAEA requirements apply to group health plans provided by applicable large employers (ALEs, those with more than 50 full-time employees) under the Affordable Care Act (ACA).

### **Jane Doe v. United Behavioral Health (UBH)**

- In this case, the parent of a child with Autism Spectrum Disorder (ASD) sued UBH (the third-party administrator of a self-insured group health plan sponsored by her employer, an ALE, under which her child was covered) after they denied claims for ABA therapy used to treat her child.
- United Behavioral Health claimed that, as the third-party administrator (TPA), it was simply following the plan documents (which specified that the employer retained the right to modify, change, revise, amend, or terminate the group health plan at any time, for any reason, without prior notice) and was not a fiduciary for the plan. The plan documents specifically excluded both ABA and IBT at the time the child was covered, although the exclusion was dropped soon after the child's coverage ended.
- The parent claimed that the exclusion of ABA therapy was a violation of the MHPAEA. The court agreed, ruling that UBH was in fact a plan fiduciary under ERISA and that its exclusion of ABA and IBT treatments created a treatment limitation applicable only to services used to treat a mental health condition. While the plan had the right to choose whether to cover ASD, it did not have the right to carve out and reject a core treatment of ASD (e.g., ABA therapy) with the exclusion applied only to coverage of mental health disorders.
- Plan sponsors should work with their TPAs/claims adjudicators to carefully review their plans to ensure that they meet all of the requirements of the MHPAEA.

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