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Dear Honorable Clerks and Chairs,

Please see the attached report to the Legislature on mental health parity compliance in conformance with Section 80 of Chapter 118E of the Massachusetts General Laws.

If you have any questions about this report, please contact Sarah Nordberg at Sarah.Nordberg@mass.gov.

Sincerely,

Mike Levine

cc: Kiame Mahaniah, MD, MBA

Introduction

The Executive Office of Health and Human Services (EOHHS) Office of Medicaid (MassHealth) submits this report to the Legislature in conformance with Section 80 of Chapter 118E of the Massachusetts General Laws.

Under Section 265 of Chapter 224 of the Acts of 2012, the Office of Medicaid was authorized to promulgate regulations requiring any Medicaid health plan, managed care organization (MCO) and their health plans, and any behavioral health management firms and third-party administrators that are under contract with a Medicaid MCO, to comply with the federal Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (“the federal Act”) and applicable state mental health parity laws, effective for contracts on or after January 1, 2013.

Section 80 of Chapter 118E of the Massachusetts General Laws requires MassHealth to perform a mental health parity compliance examination of each Medicaid managed care organization, accountable care organization or other entity contracted with the agency that manages or administers mental health and substance use disorder benefits (collectively, “managed care plans”) for the division at least once every 4 years. The law also requires MassHealth to collect annual reports from its managed care plans relating to mental health parity compliance. MassHealth is required to submit an annual report summarizing these reports to the legislature by December 1 of each year.

State Regulations

Effective January 1, 2013, MassHealth promulgated regulations at 130 CMR 450.117(J) which require its contracted managed care entities to comply with and implement applicable regulations and federal guidance requiring parity between mental health or substance use disorder benefits and medical/surgical benefits with respect to financial requirements and treatment limitations. MassHealth then amended these regulations effective December 18, 2017, including moving them to their own section at 130 CMR 450.123. The language of 130 CMR 450.123 can be found in the Appendix of this report.

Federal Regulations

On March 30, 2016, the Centers for Medicare and Medicaid Services (CMS) promulgated final federal regulations implementing federal mental health parity laws to Medicaid Managed Care Organizations, Children’s Health Insurance Programs, and Alternative Benefit Plans. The new regulations required compliance by October 2, 2017. MassHealth worked with its managed care plans to ensure compliance and, on October 2, 2017, published information related to compliance with these rules on the MassHealth website (<https://www.mass.gov/service-details/mental-health-parity-reports>).

Language in Managed Care Contracts

MassHealth includes mental health parity requirements in its managed care entity contracts and

handbooks. Below are the mental health parity provisions that are in effect for the Accountable Care Partnership Plans (ACPP), MCO plans, Senior Care Organizations (SCOs), and One Care (ICO) plans.

MCO and ACPP Contract Language

All MCO and ACPP contracts include the following language:

In accordance with 130 CMR 450.123(B), the Contractor shall review its administrative and other practices, including the administrative and other practices of any contracted Behavioral Health organization, for the prior calendar year for compliance with the relevant provisions of the federal Mental Health Parity Law, regulations and guidance and submit a certification to EOHHS in accordance with 130 CMR 450.123(B)(1)-(3) and any additional instructions provided by EOHHS.

SCO Contract Language

All SCO contracts contain the following language:

In accordance with 130 CMR 450.117(J), the Contractor shall review its administrative and other practices, including the administrative and other practices of any contracted Behavioral Health organization, for the prior calendar year for compliance with the relevant provisions of the federal Mental Health Parity Law; regulations, including subpart K of 42 CFR 438; and guidance; and submit a certification to EOHHS in accordance with 130 CMR 450.117(J) (I) and any additional instructions provided by EOHHS.

One Care Plans (ICOs) Contract Language

All One Care plan contracts contain the following language:

The Contractor and providers must comply with the Mental Health Parity and Addiction Equity Act of 2008, including the requirements that treatment limitations applicable to mental health or substance use disorder benefits are no more restrictive than the predominant treatment limitations applied to substantially all medical and surgical benefits covered by the plan (or coverage), and there are no separate treatment limitations that are applicable only with respect to mental health or substance use disorder benefits.

Mental Health Parity Language in Managed Care Member Handbooks

MassHealth requires managed care plans to include information in their member handbooks about mental health parity, including a description of the process for filing a grievance if a member believes that services were not provided consistent with mental health parity requirements. MassHealth drafted the following model language for the managed care plans to include in their member handbooks:

Mental Health Parity

Federal and state laws require that all managed care organizations, including (insert Plan name) provide behavioral health services to MassHealth members in the same way they provide physical health services. This is what is referred to as “parity.” In general, this means that:

- 1. (insert Plan name) must provide the same level of benefits for any mental health and substance abuse problems you may have as for other physical problems you may have;*
- 2. (insert Plan name) must have similar prior authorization requirements and treatment limitations for mental health and substance abuse services as it does for physical health services;*
- 3. (insert Plan name) must provide you or your provider with the medical necessity criteria used by (insert Plan name) for prior authorization upon your or your provider’s request; and*
- 4. (insert Plan name) must also provide you within a reasonable time frame the reason for any denial of authorization for mental or substance abuse services.*

If you think that (insert Plan name) is not providing parity as explained above, you have the right to file a Grievance with (insert Plan name). For more information about Grievances and how to file them, please see (insert section(s)) of your Member Handbook.

You may also file a grievance with MassHealth. You can do this by calling the MassHealth Customer Service Center at 1-800-841-2900 (TTY: 1-800-497- 4648) Monday—Friday 8:00 a.m. to 5:00 p.m.

MassHealth’s MCO, ACPP, One Care, and SCO plans have all added either the model language or substantially similar language in their member handbooks. MassHealth continues to work with plans, members, and advocates to address any concerns that arise related to mental health parity and resolve any issues as quickly as possible.

Annual Managed Care Certifications of Compliance

MassHealth regulations at 130 CMR 450.123 require that contracted managed care plans review their administrative and other practices, including those of any contracted behavioral health organizations or third-party administrators, for compliance with the relevant provisions of the mental health parity laws, regulations, and guidance. The regulations require the plans to submit a report on their review of their practices and to either certify that their plans fully comply with the federal mental health parity law and applicable state mental health parity laws and regulations or

identify areas of non-compliance and a corrective action plan to bring those practices into compliance.

To effectuate this requirement, MassHealth requested that all MassHealth MCO, ACPP, One Care, and SCO contractors submit a report and a statement from their Chief Executive Officer and their Chief Medical Officer for Calendar Year 2025. Based upon our review of the certifications and the supplemental information provided by the plans, MassHealth is pleased to report that all of our contracted MCO, ACPP, One Care, and SCO managed care plans have certified their compliance with the federal mental health parity law and applicable state mental health parity laws for calendar year 2025. No managed care plan identified any disparities between mental health or substance use disorder benefits and medical/surgical benefits with respect to financial requirements and treatment limitations.

Treatment Authorization Data Summary

For Accountable Care Partnership Plan (ACPP) and Managed Care Organization (MCO) (collectively Managed Care) Medical/Surgical (M/S) Services in 2024 (the latest year for which we have complete data), the lowest number of authorization requests made was 11,648. The highest number of requests was 181,359. The average across five plans was 72,769. For Behavioral Health and Substance Use Disorder (BH/SUD) Services, the lowest number of requests was 12,030, the highest was 102,417, and the average was 33,965.

For Integrated Care Plan M/S Services in 2024, the lowest number of authorization requests made was 3,413. The highest number of requests was 216,353. The average across six plans was 50,692. For BH/SUD Services, the lowest number of requests was 46, the highest was 5,223, and the average across the same six plans was 1,482.

Across both Managed Care and Integrated Care, seven out of eleven plans approved over 90% of their M/S Authorization requests; three plans approved 85-89.99%; one plan approved less than 85% of their M/S authorization requests. Comparatively, only one plan approved less than 90% of their BH/SUD authorization requests.

One Managed Care plan modified nearly 10% of M/S authorization requests. Of the other ten plans, three plans modified 1-3% of requests and eight plans modified less than 1% of M/S authorization requests. All plans modified less than 1% of BH/SUD authorizations.

Across both Managed Care and Integrated Care, there were a total of 3,954 M/S internal appeals filed. One Managed Care Plan reported 1,592 of those appeals. Five plans reported between 100 and 700 appeals, and 5 plans reported less than 100 internal appeals. The average across all plans was 359 appeals and 53% were approved.

Across both Managed Care and Integrated Care, there were a total of 747 BH/SUD internal appeals filed. One Managed Care Plan reported 656 of those appeals. All other plans reported less than 50 internal appeals. The average across all plans was 68 appeals and 64% were approved.

For Managed Care, one plan reported 237 M/S external appeals, one plan reported 111, and the remaining plans each reported less than 25 external appeals. Overall, 90% of M/S external appeals were upheld. No Integrated Care Plan reported more than 25 BH/SUD external appeals. Overall, 88% of BH/SUD external appeals were upheld.

Complaints Regarding Mental Health Parity

Across all plans, there was one complaint received in 2025 regarding coverage of Applied Behavioral Analysis (ABA) solely for individuals under the age of 21. MassHealth investigated this complaint and determined that there was no violation of mental health parity laws.

Additional Innovations and Efforts Related to Behavioral Health Services

MassHealth continues to reinforce the implementation of parity and works with our plans to ensure that there is parity between mental health or substance use disorder benefits and medical/surgical benefits with respect to financial requirements and treatment limitations. During 2025, MassHealth launched the Behavioral Health Treatment and Referral Platform (TRP). The goals of this technological platform are to increase automation in processes for Inpatient psychiatric admissions from the Emergency Department, to reduce administrative burden to emergency departments and inpatient facilities, and to generate faster throughput for members needing psychiatric care. At this time, all providers of Inpatient Psychiatry, all emergency departments, all payers and many state agencies are using the TRP. Preliminary feedback from providers, as well as early data, indicates meeting all three goals, most importantly improving patient throughput from Emergency Departments to their more appropriate placements.

New in 2025, MassHealth began covering Program for Assertive Community Treatment (PACT) services, which were previously offered only through managed care, for members with MassHealth Fee for Service coverage. PACT is a multi-disciplinary team approach to providing acute, active, ongoing, and long-term community-based psychiatric treatment, assertive outreach, rehabilitation and support. The program team provides assistance to individuals to maximize their recovery, ensure consumer-directed goal setting, assist individuals in gaining a sense of hope and empowerment, and provide assistance in helping the individuals served become better integrated into the community. Additionally, in 2025 MassHealth implemented a new payment model for Behavioral Health Urgent Care services in order to promote provider financial stability and to be a responsible steward of resources in the Commonwealth.

Planned for 2026, MassHealth - in conjunction with UMass - has developed a modernized and updated Child/Adolescent Needs and Strengths (CANS) assessment tool planned to go live early in the year.

In furtherance of the Roadmap for Behavioral Health Reform's goal to improve access to behavioral health treatment at primary care offices, MassHealth continues to operate its Primary Care Sub-Capitation Program, which reimburses a defined set of primary care services with prospective per-member-per-month (PMPM) payments rather than fee-for-service payments.

Participating primary care practices choose from one of three clinical "Tiers" of participation, with higher Tiers having greater primary care delivery expectations and receiving correspondingly higher payments. A key component of these Tiers is behavioral health integration. Notably, of practices that continued in the program from 2023 to 2025, 20% increased their Tier designation, offering more access to integrated behavioral health and other services in primary care. These innovations and initiatives will support the ability of individuals and families to more easily access care when and where it is needed. Additional information on the Roadmap can be found at www.mass.gov/BHRoadmap.

Appendix

130 CMR 450.123:

Managed Care Compliance with Mental Health Parity

(A) MCOs, Accountable Care Partnership Plans, SCOs, and ICOs, and their behavioral health subcontractors or third party administrators, if any, must comply with and implement relevant provisions of the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (the Federal Mental Health Parity Law), and implementing regulations and federal guidance, which requires parity between mental health or substance use disorder benefits and medical/surgical benefits with respect to financial requirements and treatment limitations.

(B) Annual Certification of Compliance with Federal Mental Health Parity Law. Each MCO, Accountable Care Partnership Plan, SCO, and ICO must annually review its administrative and other practices, including the administrative and other practices of any behavioral health subcontractors or third party administrators, for compliance with the relevant provisions Federal Mental Health Parity Law, regulations, and guidance.

(1) Each MCO, Accountable Care Partnership Plan, SCO, and ICO must submit a certification signed by the chief executive officer and chief medical officer stating that the entity has completed a comprehensive review of the administrative practices of the entity for compliance with the necessary provisions of State Mental Health Parity Laws and Federal Mental Health Parity Law.

(2) If the MCO, Accountable Care Partnership Plan, SCO, or ICO determines that all administrative and other practices were in compliance with relevant requirements of the Federal Mental Health Parity Law, the annual certification will affirmatively state that all relevant administrative and other practices were in compliance with Federal Mental Health Parity Law.

(3) If the MCO, Accountable Care Partnership Plan, SCO, or ICO determines that any administrative or other practices were not in compliance with relevant requirements of the Federal Mental Health Parity Law, the annual certification will state that not all practices were in compliance with Federal Mental Health Parity Law, and will include a

list of the practices not in compliance, and the steps the entity has taken to bring these practices into compliance.

(C) A member enrolled in an MCO, Accountable Care Partnership Plan, SCO, or ICO may file a grievance with MassHealth if the member believes that services are provided in a way that is not consistent with applicable Federal Mental Health Parity laws, regulations, or federal guidance. Member grievances may be communicated for resolution verbally or in writing to MassHealth's customer service contractor.