



Testimony on Mental Health in Public Schools

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House Children and Youth and Education Committees

August 25, 2021



Good morning Chairpersons Delozier, DeLissio, Sonney and Longieiti, members of the House Children and Youth Committee and members of the House Education Committee. My name is Michael Humphreys, and I serve as Chief of Staff of the Pennsylvania Insurance Department. On behalf of Insurance Commissioner Jessica Altman and the Wolf Administration, I would like to thank you for the opportunity to testify today on mental health in public schools. This is a very important issue.

The Pennsylvania Insurance Department (herein referred to as the "Department") remains committed to ensuring access to affordable and comprehensive health coverage including behavioral healthcare, for all Pennsylvanians, approximately 5% of which are school-age children under the age of 18 years old. As the primary regulator of insurance in the commonwealth, the Department has the responsibility to ensure compliance with various insurance laws, including laws governing mental health coverage.

The Patient Protection and Affordable Care Act (ACA) outlines Essential Health Benefits (EHB), which are services that are required to be covered by individual and small group health insurance plans. Mental health and substance use inpatient and outpatient treatment services are EHBs, meaning that individuals seeking these services covered by individual or small group plans will have coverage under the law. In addition, these services must be covered in parity with physical health benefits. In other words, health plans and insurers must offer mental health and substance use disorder benefits that are comparable to their coverage for general medical and surgical care. Large group plans and self-funded plans (predominantly regulated by the federal Department of Labor) are not required to cover mental health benefits, but most do, and, if they do, they must be covered in parity with physical health benefits. (Self-funded plans cover over a quarter of Pennsylvanians.) Commercial, individual and group market plans, which are under the regulatory oversight of the Department, cover nearly another quarter of



Pennsylvanians. The remaining Pennsylvanians are either uninsured, or covered by a government program such as Medicare, Medicaid, or CHIP.

Mental health and substance use disorder benefits in fully funded insurance plans cover a variety of services and treatments, including pharmaceuticals, such as anti-depressants, mood stabilizers, and medication to treat substance use disorders. The federal Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA), adopted into state law by Act 14 of 2010, prohibits health insurers from imposing more stringent benefit limitations or coverage requirements on mental health or substance use disorder services than on physical health services. Pennsylvania also has additional laws impacting mental health and substance use disorder insurance coverage. For details of the interplay of the various state and federal laws, see Department Notice 2016-05, [Guidance Regarding Parity in Mental Health and Substance Use Disorder Coverage](#), 46 Pa.B. 6942 (Oct. 29, 2016). Additionally, last session the General Assembly enacted Acts 2020-89 and 2020-92 to strengthen and clarify mental health parity analysis and enforcement.

Impact of COVID-19 Global Pandemic

The effects of the global COVID-19 pandemic will be seen for years to come. Many children spent one year or longer of their academic career learning remotely at home in order to reduce the spread of this deadly virus. This means that younger children haven't had traditional socialization opportunities and young adults had to forfeit milestones and events like prom and graduation ceremonies. The past year and a half has proven to be a collective period of hardship for everyone, but it is likely that school-age children particularly have been adversely impacted by the actions taken to slow the spread of COVID-19. Isolation, family financial distress, and the loss of loved ones to the virus are all factors contributing to mental health and overall wellbeing of the younger generation. Many parents have been laid off or have been



unable to find a job due to the pandemic. As a result of the pandemic, we should expect that mental health and physical health coverage at any age is more important than ever.

Governor Wolf has prioritized ensuring access to coverage through numerous critical initiatives that have proven essential through the challenges and ongoing toll of the pandemic. In particular, the combination of the expanded Medical Assistance and CHIP programs overseen by the Department of Human Services and the launch of Pennsylvania's state-based marketplace, Pennie™, which now offers greater financial assistance than ever before due to enhancements passed in the American Rescue Plan Act, have provided coverage options to Pennsylvanians at this most critical time. Medical Assistance and CHIP enroll members any time during the year and Pennie, which normally holds an annual open enrollment period from November to January, re-opened its doors for anyone to enroll through an extended COVID-19 special enrollment period from February 15 to August 15 of this year.

Throughout this special enrollment period granted to address the deleterious impacts of the pandemic, Pennie™ has seen an increase of over 55,000 enrollees; 7.2% of them children under the age of 18. The availability of financial assistance made possible by the American Rescue Plan Act has significantly helped the majority of these families who may not otherwise qualify for Medical Assistance or subsidies through CHIP to afford premiums for comprehensive health coverage for dependents.

The Insurance Department's Regulatory and Enforcement Role

Finally, the Department has been conducting in-depth market conduct exams of the major health insurers operating in Pennsylvania. Through these market conduct exams, the Department checks for regulatory compliance with a broad scope of health insurance laws and has been giving specific attention to state and federal mental health parity laws. Since the



beginning of the Wolf Administration, we have completed four exams and plan to complete the remaining exams by the end of the Administration. Findings of all four exams have included mental health and substance use treatment parity violations. When these violations are found, the company must implement corrective measures and pay fines or restitution as appropriate. Corrective measures usually include adopting and implementing different analysis standards needed to be in compliance with the federal MHPAEA law. For example, corrective action identified for one insurer includes an education and outreach campaign, totaling \$800,000. This campaign includes developing and implementing K-12 training on mental wellness. Pennsylvania has been a national leader in parity enforcement and remains committed to ensuring that Pennsylvanians of all ages have continued access to affordable behavioral health services.

Additionally, the Department is responsible for oversight of provider networks accompanying health plans. The Department recently assumed the responsibility of reviewing network adequacy through a Memorandum of Understanding (MOU) with the Department of Health. The MOU transferred the Bureau of Managed Care to the Insurance Department effective January 2, 2021, and the Department has taken action to enhance network adequacy review for major medical health insurance products being offered beginning January 1, 2022. In addition to the Department's ongoing commitment to network adequacy, complaints and anecdotal evidence indicate network adequacy concerns with respect to behavioral health providers, so we expect that to be a particular area of focus. To the extent these efforts and coordination among state agencies result in MH/SUD providers being more accessible and available to school-age children, the Department will continue to support equitable access to behavioral healthcare for all Pennsylvanians and children covered by commercial health insurance.



Thank you again for the opportunity to weigh in on the importance of mental health awareness and services for school-age children. I would be happy to take any questions that you might have.