

Government Administration and Elections Committee

JOINT FAVORABLE REPORT

Bill No.: HB-7207

AN ACT CONCERNING THE DISCLOSURE OF INSURER REPORTS

Title: CONCERNING MENTAL HEALTH PARITY AS A PUBLIC RECORD.

Vote Date: 3/19/2025

Vote Action: Joint Favorable

PH Date: 3/14/2025

File No.:

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REASONS FOR BILL:

There has been a growing concern over the perceived discrepancy in the compliance with mental health care when compared to other forms of healthcare. Despite previous legislation trying to end the disparity in mental health care, it is alleged that four out of seven commercial insurance carriers have showed signs of parity non-compliance. This has led to a difference in care for patients seeking mental health care and many getting systematically denied due to existing insurance policies. Insurers are required to submit annual reports on parity compliance; however, this is done with anonymity afforded to the carriers. This has led to increased disparity in mental healthcare since carriers not in compliance are shielded from public accountability. This bill makes the Insurance Commissioners annual report on insurer's parity compliance into a public record. This would remove the anonymity given to insurers on this report to hold them publicly accountable for not complying with mental health parity standards.

RESPONSE FROM ADMINISTRATION/AGENCY:

William Tong, Attorney General:

We are losing lives every day to mental health and substance use crises and we cannot allow insurers to stand in the way of life-saving care by failing to comply with mental health parity standards. Insurers are required to submit an annual Nonquantitative Treatment Limitations (NQTL) filing to the Insurance Commissioner demonstrating their compliance with the law. They must explain how they select criteria to assess the medical necessity of benefits, provide a description of all NQTLs applied to the benefits, and furnish a comparative analysis of the process and strategies used to apply NQTL to mental health and substance use disorder benefits as compared to medical and surgical benefits. The Insurance Department compiles this into a public report without revealing the identity of the carrier who submitted each filing. Some carriers have failed to comply with mandated reporting requirements but enjoy the protections of anonymity. Removing this anonymity will open the door to public

scrutiny around the insurance industry's compliance with their mental health parity obligations.

NATURE AND SOURCES OF SUPPORT:

Paul A. Bryant, President, Connecticut Psychiatric Society:

Connecticut's Office of the Attorney General has shown numerous instances of insurers' failure to comply with parity filing requirements, including flagrant examples. Connecticut can no longer allow noncompliant insurers to be hidden from public view. Consumers who purchase plans deserve to know which insurers are so bold as to not even complete in full their NQTL reports. Enforcing mental health parity is a public health issue. The enforcement of existing mental health parity laws is one of the top 3 strategies states can do to lower suicide rates. This Bill will improve transparency and parity compliance.

Thoms Burr, Public Policy Manager, National Alliance on Mental Illness Connecticut:

Too many people with mental health conditions routinely cannot access the mental health care they are already paying for. Because of the conditions the healthcare insurance industry have created, people routinely give up without appealing to their insurance companies for reconsideration nor do they lodge formal complaints with the Connecticut Department of Insurance, though study after study has confirmed this is a real problem. The Office of Health Strategy has shown in a report that four out of seven commercial insurers in Connecticut are exhibiting warning signs of parity noncompliance. Mental Health Parity is the Law, should be adhered to, and currently is not. This leads to many people who are desperate for service to not receive it and result in worsening conditions. Some of those people, if able, will swap to Connecticut's HUSKY program, cost shifting from private business to the State of Connecticut and its taxpayers.

Dr. Immacula Cann, Chief Nursing Officer, Silber Hill Hospital:

There is an urgent need for transparency in mental health parity enforcement. Mental health is a precursor to physical health and when left untreated leads to increased absenteeism and decreased productivity, directly impacting Connecticut's workforce and economy. The confidentiality provision shields insurers who fail to comply with parity laws, allowing them to deny necessary care without public accountability. Without transparency, repeat offenders remain unchallenged and patients continue to suffer.

Christian Damiana, Public Policy Manager, Mental Health Connecticut:

Despite state and federal law, commercial insurers systematically deny coverage, delay treatment, and underpay providers. This directly contributes to disparity in access to care. The Insurance Department's NQTL reports have shortcomings that prevent them from serving as an effective tool for addressing parity violations and they clearly show how insurers are not complying with parity laws. Current confidentiality provisions shield insurers from accountability by preventing the public, lawmakers, and even some regulators from seeing which carriers are failing to comply with parity laws.

Joseph Feldman, President, Cover My Mental Health NFP:

Insurance companies' basis for determination of medical necessity is not transparent and differs from what clinicians determine to be medically necessary. There is no independent basis whatsoever to evaluate the quality, consistency, or appropriateness of their decision-making. When there is a difference between an insurer's standard and a clinician's, it can

lead inappropriate and avoidable denials of necessary care. Insurance company determinations would ideally be based on generally accepted standards but at the minimum their standards for determination should be publicly available.

Kathleen Flaherty, Executive Director, CT Legal Rights Project:

This bill increases transparency and accountability. A recent report by the Office of Health Strategy found four out of seven commercial insurers showed warning signs of parity non-compliance, something that should be investigated further. Making the reports they are required to submit be in the public record, allows advocates, researchers, and others to be able to review the data and make recommendations for how to improve parity compliance.

Lucy Gilchrist, MPH Candidate, Yale University:

Too many policyholders cannot access the mental health care they are already paying for, despite existing law. Under current regulations, insurers can evade the intent of existing reporting laws by submitting incomplete and disorganized information to state regulators, allowing them to continue without penalty. Transparency is fundamental to ensuring institutions are accountable to the people they serve. By making these reports public, we introduce accountability to insurers, aid regulators in evaluating compliance, allow researchers and public advocates to use them for research and quality improvement efforts, and enables us to highlight trends and issues in the insurance industry.

Loretta Jay, Connecticut Parity Coalition:

Connecticut residents used out-of-network services for behavioral healthcare 11 times more often than for primary care, underscoring the problem that insurers are not maintaining adequate in-network options for mental health treatment. Four out of seven commercial insurers in Connecticut exhibit warning signs of parity noncompliance. Making NQTL reports public records, will bring transparency and accountability. A significant barrier is the grossly inadequate number of in-network providers. Insurance companies limit how many providers participate in their networks, making reimbursement complex and time-consuming. As a result, many clinicians choose not to accept insurance at all. Insurers routinely deny payment for services provided, citing lost documentation or months-long "pending" statuses. Every denied claim requires lengthy phone calls, emails, and certified mail correspondence, all unpaid time and expense. Insurers maintain outdated directories, wasting countless hours of families' time as they seek treatment. Insurers cannot be allowed to exploit loopholes that deny patients the treatment they pay for.

Colleen M. Murphy, Executive Director, Freedom of Information Commission:

Nearly one in five adults in Connecticut experienced a mental health disorder in 2021, and nearly 500,000 individuals, 12 or older, had a substance use disorder. There are disparities in coverage for mental health conditions versus physical health conditions. Ensuring broader public access to mental health parity reports submitted by health carriers will enable state agencies, academics, independent researchers, and other subject matter experts to review the data and make recommendations on how to ensure health carriers provide equal levels of coverage for mental health services.

Monika Nugent, Public Policy and Advocacy Associate, Connecticut Community Nonprofit Alliance:

This bill holds insurers accountable by providing a comparative analysis to show that mental health and substance use disorder benefits are comparable and not more stringently applied

than medical and surgical benefits. Connecticut has among the worst disparities in the nation for out-of-network behavioral health office visits. Without payment parity, individuals seeking treatment face higher out of pocket costs and limited access to providers.

Jaime Rodriguez, Advocacy Chair, Connecticut Association of Marriage and Family Therapy:

Mental Health Parity is a continuing concern for mental health providers despite previous legislation. Providers continue to encounter disparity of mental health coverage by insurance carriers in Connecticut. Providers and patients continue to encounter barriers to accessing care as well as reimbursement for treatments. As recently as this year, insurers have reduced rates up to 22% for systemic mental health treatment codes. These practices are not in the best interest of patients, the community, or the state of Connecticut. They only benefit insurers themselves. Without stronger enforcement, these gaps will continue, and more residents will be left without needed care.

Mike Savino, Co-President, Connecticut Council on Freedom of Information:

This bill provides transparency on how health insurers respond to mental health-related issues. Insurance companies have not been following legislation and have maintained practices of providing unequal access to mental healthcare compared to physical healthcare. Making this information public can give consumers information when choosing health insurance coverage and that alone will encourage insurance companies to offer more parity.

Dr. Mark Spellmann, Legislative Committee Member, Connecticut Psychological Association:

Medical care often does not happen without appropriate mental health care. Despite legislation passing years ago, the disparity in insurance coverage between mental and physical healthcare is still present. There is deep widespread support for mental health parity and still we are fighting insurance providers to do what they are legally required to. This bill is a major step towards achieving that parity.

NATURE AND SOURCES OF OPPOSITION:

Susan Halpin, Connecticut Association of Health Plans:

Making these reports public has the potential to expose sensitive, competitive business information that could create unintended consequences for individual carriers and the broader marketplace. It could also impact health carriers' ability to contract with the state to administer important public programs. Ultimately, this could reduce competition.

Reported by: Aston Foley

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