

National Association for Behavioral Healthcare

Access. Care. Recovery.



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FOR IMMEDIATE RELEASE

NABH Applauds Landmark Behavioral Healthcare Coverage Ruling

WASHINGTON, DC (March 5, 2019)— The National Association for Behavioral Healthcare (NABH) applauds the decision filed in California’s Northern District today that opens access to behavioral healthcare services for those who need it.

“It has been 10 years since President George W. Bush signed the *Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act*, and we have yet to achieve full parity,” said Mark Covall, NABH’s president and CEO. “Today’s decision in California’s Northern District is a turning point. The federal court’s ruling made it clear that insurance companies must use generally accepted standards in the full behavioral healthcare continuum to help patients gain access to the care they need for recovery.”

In a nationwide class action lawsuit, the U.S. District Court for the Northern District of California on Tuesday held that United Behavioral Health (UBH) — the country’s largest managed behavioral healthcare organization — developed restrictive medical-necessity criteria that it used to deny coverage for outpatient, intensive outpatient, and residential treatment services.

According to the decision, the Court found that UBH’s internal guidelines limited coverage to acute care services, disregarding highly prevalent, chronic, and co-occurring disorders that required greater intensity and/or duration.

The Court also found that UBH failed to meet a requirement related to children and adolescents, asserting that although generally accepted standards of care do not require UBH to “create an entirely separate set of guidelines to address the needs of children and adolescents... they do, however, require that UBH’s guidelines instruct decision-makers to apply different standards when making coverage decisions involving children and adolescents, where applicable, including relaxing the criteria for admission and continued stay to take into account their stage of development and the slower pace at which children and adolescents generally respond to treatment.”

NABH is especially pleased to see the Court acknowledge that mental health and substance use disorders are chronic illnesses, and that managed care organizations must cover care that not only stabilizes the acute aspects of a patient’s illness, but also addresses a patient’s underlying condition.

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About NABH

The National Association for Behavioral Healthcare (NABH) advocates for behavioral healthcare and represents provider systems that are committed to delivering responsive, accountable, and clinically effective prevention, treatment, and care for children, adolescents, adults, and older adults with mental and substance use disorders. Its members are behavioral healthcare provider organizations that own or manage more than 1,000 specialty psychiatric hospitals, general hospital psychiatric and addiction treatment units and behavioral healthcare divisions, residential treatment facilities, youth services organizations, and extensive outpatient networks. The association was founded in 1933.