INSURED AMERICAN af FAMILY

VETERAN / FAMILY OWNED & OPERATED
(813) 919-8536
C.Gruenbaum@insuredaf.com
insuredaf.com

Mental Health Coverage + Parity Act

What your plan must cover, and what slips through

By federal law, mental health is covered at the same level as medical. Enforcement is patchy.

WHAT IT IS

The Mental Health Parity and Addiction Equity Act (MHPAEA) requires most health plans to cover mental health and substance use at PARITY with medical/surgical care. Same copays, same deductibles, same prior auth rules, same visit caps. In practice, enforcement varies, and clients often don't know their rights. This guide covers what's required, what slips through, and how to push back when a plan stretches the rules.

WHAT MUST BE COVERED (PARITY)

Outpatient therapy
Same copay as a medical specialist visit

Inpatient mental health
Same deductible/coinsurance as hospital stay

Substance use treatment
Same parity rules as mental health

Prior auth rules
Cannot be stricter than medical

Visit caps
Same as medical (often: no cap)

WHAT CAN SLIP THROUGH

Ghost networks
Therapists listed in-network, not accepting patients

Out-of-network only
Many therapists don't take insurance at all

"Medical necessity" denials
Cited to limit ongoing care

Telehealth coverage gaps
Varies by plan, especially across state lines

Family / couples therapy
Often coded as not "medical necessity"

THE 3 THINGS PEOPLE GET WRONG

1. **"My plan doesn't cover mental health."**
   Almost always false for ACA-compliant plans, employer plans (50+ employees), and Medicare. By federal law, these plans MUST cover mental health at parity with medical/surgical care. If your plan denies, push back, and document everything.

2. **"Therapy should cost the same as a primary care visit."**
   False. Therapy is a specialty service under most plans, so it's compared to your SPECIALIST copay/coinsurance, not your PCP copay. If your specialist copay is $50 and therapy is $50, that's parity. If specialist is $50 but therapy is $100, THAT'S the parity violation. Compare apples to apples.

3. **"If no in-network therapist will see me, I'm stuck paying out of pocket."**
   False. Your plan's network has to actually function. If you make documented good-faith attempts to find in-network care and can't, your plan may owe out-of-network benefits at in-network rates, this is called 'network adequacy' enforcement under parity. Document every call (date, time, provider name, reason). Then appeal.

HOW TO PUSH BACK ON A MENTAL HEALTH DENIAL

If your plan denies mental health coverage or limits visits: (1) Request the denial in writing with specific medical necessity criteria. (2) Compare those criteria to how the plan treats medical/surgical care for similar conditions. (3) File an internal appeal, most denials get reversed on appeal. (4) If internal appeal fails, file with your state Department of Insurance AND the federal Department of Labor (for employer plans). (5) Document EVERYTHING, denied claims, network search failures, treatment gaps. Parity violations get carriers fined.

Fighting a mental health denial or trying to find in-network care? Call or text Craig, I'll walk through your plan's parity obligations and your dispute options.

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