



May 12, 2020

Senator Pan and Senate Health Committee  
State Capitol, Room 2191  
Sacramento, CA 95814

Dear Senator Pan:

I write to express strong support for SB 855, which will strengthen the California Parity Act and require that insurers cover medically necessary treatment for every mental health and substance use disorder (MH/SUD).

MHAC is the state's leading community based nonprofit dedicated to addressing the needs of those living with mental illness and promoting the overall health of all Americans. MHAC was founded in 1957 and has six chapters in the State. Mental Health America of California has long sought to promote behavioral health as a critical part of overall wellness and to advocate on behalf of those experiencing mental health conditions.

This proposed legislation will put in place common sense mechanisms to ensure that insured Californians are receiving their health benefits and help minimize the negative consequences associated with the loss of needed MH/SUD coverage. SB 855 is more important than ever given the COVID-19 pandemic and the subsequent severe economic disruptions are likely to have long-term impacts on mental health and substance use.

We already are seeing the emergence of a secondary, co-occurring pandemic of mental health and substance use disorders as this global health crisis puts us all under severe emotional, social and economic stress. According to a recent Kaiser Family Foundation poll, nearly half (45%) of adults in the United States reported that their mental health has been negatively impacted due to COVID-19 concerns.<sup>1</sup>

Those with mental illness and substance use disorders pre-pandemic, and those newly affected, will likely require mental health and substance use services. The pandemic spotlights both existing and new barriers to accessing mental health and substance use disorder services. A vital part of being prepared for our worsening mental health crisis is to ensure that every Californian can get the mental health and substance use services they need.

The California Parity Act requires that, for nine mental illnesses and serious emotional disturbances of a child, health plans cover medically necessary treatment. Parity in health care is

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<sup>1</sup> Kirzinger et al., "KFF Health Tracking Poll – Early April 2020: The Impact of Coronavirus On Life in America," April 2, 2020, <https://www.kff.org/health-reform/report/kff-health-tracking-poll-early-april-2020/>

fundamentally grounded in ensuring mental health and substance use disorders are treated at the same level, frequency, and availability as other medical and surgical services. Unfortunately, there is a major flaw in the law: the California Parity Act does not apply to all mental illnesses nor any substance use disorders. This omission leaves out the lion's share of mental health conditions.

Additionally, the lack of definition for "medically necessary treatment" has created ambiguity about what MH/SUD treatment health plans are required to cover. While several court decisions – *Harlick v. Blue Shield of California* and *Rea v. Blue Shield of California* – have interpreted this phrase broadly, there remains a need to establish a clear definition with the best clinical standards to ensure Californians are able to obtain the mental health and substance use treatment they need.

Expanding access to MH/SUD services must be one of the highest priorities for California. SB 855 is vital legislation in the face of a worsening mental health and addiction crisis exacerbated by the current COVID-19 pandemic. Homelessness, housing, education and criminal justice challenges are heightened when our health care system doesn't provide adequate MH/SUD treatment services to those who desperately need it.

SB 855 will put in place reasonable and necessary reforms to guarantee insured Californians have access to MH/SUD services. This bill also states that if required services are not available, health plans must immediately cover services out-of-network at in-network rates. Together, these reforms will ensure California is a leader in the nation on health parity legislation. I thank you for your continued leadership on this issue, and again, strongly support SB 855.

Sincerely,



Heidi L. Strunk  
President and CEO

cc: Senator Wiener