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ACA marketplace plans offer fewer mental health providers compared to primary care

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The Patient Protection and Affordable Care Act (ACA) of 2010, also known as Obamacare, aimed to achieve parity in coverage between mental health care and other forms of health care. A new study from researchers at the Perelman School of Medicine at the University of Pennsylvania suggests that ACA plans may still fall short of that goal. The Penn researchers found that provider networks in ACA Marketplace plans tend to offer far fewer choices for mental health care, compared to primary health care. ACA plan networks last year included, on average, only 11 percent of all mental health care providers in their coverage areas—compared, for example, to 24 percent for primary care providers. The study is published today in the September issue of *Health Affairs*.

"Our findings highlight some persistent structural barriers to parity," said the study's lead author Jane M. Zhu, MD, MPP, a National Clinician Scholar in the department of General Internal Medicine at Penn and an associate fellow at Penn's Leonard Davis Institute of Health Economics. "Better incentives for mental health care providers to participate in plan networks, and greater regulatory attention to network size and quality, could help overcome those barriers."

In the new study, Zhu and colleagues examined several nationwide databases on 2016 ACA plans, networks and providers. The researchers analyzed this large dataset in different ways, but their results consistently showed that choices of providers in ACA Marketplace plans were—and presumably still are—much narrower for mental health care than for primary care. For example, while about 58 percent of primary care

physicians in covered areas participated in at least one ACA plan network, only 43 percent of psychiatrists did so. The participation rate was much lower, at 21 percent, for all mental health care specialists including non-physician providers, compared to 46 percent for all primary care providers.

Similarly, from the perspective of network size, ACA Marketplace plans' mental health care provider networks fell much more often into the categories of "small" or "extra-small," compared to primary care provider networks.

The ACA and an earlier law, the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008, aim to make insurance coverage for mental health care as easy to obtain as coverage for other forms of health care. The ACA mandates, for example, that all Marketplace plans offer coverage for mental health care including treatment for substance abuse. The analysis by Zhu and colleagues suggests that despite these efforts, true parity in coverage remains elusive.

Part of the problem lies on the provider side, according to the Penn researchers: "Consistently with prior studies of this issue, we observed relatively low levels of network participation among mental health care providers," said senior author Daniel Polsky, PhD, a professor of Medicine at the Perelman School of Medicine and executive director of Penn's Leonard Davis Institute of Health Economics.

There is evidence, he added, that mental health care providers tend to be reimbursed at lower rates than other health care providers, yet often face high demand for services. This situation incentivizes many of them to opt out of insurer networks in order to retain more freedom in pricing their services.

On the insurer side, narrowing the networks of providers is clearly one way to hold down costs. An insurer typically negotiates reimbursement rates with providers in advance, and in principle has more bargaining power when restricting network coverage to a smaller pool of providers. A smaller pool of providers may also specifically exclude the more expensive providers and sicker patients in a coverage area, and on the whole may make it harder for patients to find a covered provider within a reasonable traveling distance.

"The ACA eliminated important reimbursement limitations that insurers traditionally used to control their costs," Zhu said. "Narrow network design is one of the few cost-control strategies they're still allowed to use."

She noted that the ACA does address network size and quality, but only briefly and ambiguously. It requires Marketplace plans to maintain "a network that is sufficient in number and types of providers," including mental health care providers, albeit without defining "sufficient" in this context. "A key issue is that we don't yet know how narrow a network can be before it starts to impact access and health outcomes - understanding this may help regulators better define network size requirements."

Closing the gap between mental health care coverage and other health care coverage would require a consensus about minimum network size and quality, and regulations to enforce that standard, according to the Penn researchers. Coaxing more mental health care providers into networks also would be necessary, and that could mean, in part, improving their reimbursement rates as well as reducing the shortage of mental health care providers overall.

Provided by Perelman School of Medicine at the University of

Pennsylvania