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Kansas Did Not Ensure That Its Medicaid Managed Care Organizations Complied With Mental Health and Substance Use Disorder Parity Requirements Related to Prior Authorization

Why OIG Did This Audit

- Individuals seeking care for mental health and substance use disorder (MH/SUD) conditions often find that treatment operates in a separate, and often very disparate, system than treatment for medical and surgical (M/S) care, even under the same health insurance coverage.
- Federal statute and regulations prohibit coverage limitations that apply more restrictively to MH/SUD benefits than to M/S benefits; these are called parity requirements. A prior OIG audit found that CMS did not ensure that eight States complied with Medicaid managed care MH/SUD parity requirements.
- This audit determined whether Kansas ensured that its Medicaid managed care organizations (MCOs) complied with parity requirements related to prior authorization for MH/SUD services provided to their Medicaid enrollees during calendar year 2023 (audit period).

What OIG Found

Kansas did not ensure that the three MCOs in the State complied with parity requirements related to prior authorization for MH/SUD services provided to their Medicaid enrollees.

- None of the three MCOs performed, or provided Kansas with, a complete parity analysis (which assesses whether MH/SUD benefits are covered in a way that is no more restrictive than M/S benefits) for our audit period, and Kansas did not request a complete parity analysis from any of the MCOs.
- For outpatient out-of-network services, one MCO denied prior authorization requests for MH/SUD services at a higher rate than it denied prior authorization requests for M/S services for the same type of services. We also identified potential data reliability issues at another MCO.
- Kansas did not provide clear guidance regarding parity analyses to the MCOs and did not have policies and procedures in place to provide adequate monitoring of the MCOs. Access to MH/SUD services may therefore have been limited compared to access for M/S services—a disparity that may have impacted enrollees' health and wellness by delaying lifesaving or life-enhancing MH/SUD treatments.

What OIG Recommends

We made three recommendations to Kansas, including that it enhance its oversight of the MCOs with respect to parity analyses, accuracy of supporting data, and corrective actions; that it develop and disseminate detailed instructions to the MCOs explaining how to conduct the parity analyses; and that it develop and implement policies and procedures to improve its oversight of the MCOs. The full recommendations are in the report.

Kansas agreed with all of our recommendations.