

Overview of behavioral health parity for Oregon health benefit plans

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Mental health parity – federal framework

Mental Health Parity and Addiction Equity Act (MHPAEA)

- Requires behavioral health and substance use disorder (BH/SUD) benefits to be covered on par with medical/surgical (M/S) benefits in commercial plans
- Prohibits applying more restrictive limitations to BH/SUD benefits than to comparable M/S services
- Serves as the foundation for federal and state oversight of parity in commercial health plans

Parity must apply in three key areas:

- Cost-sharing (e.g., copays, deductibles, coinsurance)
- Quantitative treatment limits (e.g., visit or day caps)
- Nonquantitative treatment limitations, or NQTLs (e.g., prior authorization, step therapy, network admission standards)

Oregon law framework

Oregon behavioral health parity laws

- Health benefit plans must provide coverage for treatment of a broad range of behavioral health conditions, emphasizing parity with medical coverage

ORS 743A.168 (2021 HB 3046)

- Strengthens previous statutes with detailed requirements for parity in health insurance benefits
- Requires insurers to submit annual reports on how they apply both NQTLs and quantitative limits to behavioral health benefits compared to medical/surgical benefits
- DCBS must review insurer submissions, evaluate parity, and report findings to the Legislature each year by Sept. 15

Annual behavioral health parity report

- Insurers submit annual reports to DCBS explaining how they apply NQTLs and quantitative limits to behavioral health benefits, and how those compare to the limits applied to medical/surgical benefits.
- DCBS reviews submissions and evaluates how behavioral health networks and treatment limitations compare to medical/surgical coverage.
- Findings are reported to the Legislature each year by Sept. 15, focusing on whether behavioral health services are covered at parity with medical/surgical services.
- Reports are available online at the following URL:
<https://dfr.oregon.gov/business/reg/health/pages/mental-health-parity.aspx>

Key Findings – 2025 Behavioral Health Parity Report

- Many insurers meet parity requirements “as written” but fall short on showing parity “in operation.”
- Prior authorization denial rates are consistently higher for behavioral health than for medical/surgical services.
- Some insurers applied more restrictive formulary requirements on BH/SUD services – such as placing BH/SUD medications on higher tiers or adding extra prior authorization steps.
- The quality of reporting varies significantly among insurers, with many lacking key details in their operational documentation.
- SB 824 (2025) reinstates key quantitative data reporting requirements, effective Jan. 1, 2026, to strengthen DCBS oversight.

Questions?

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