

Attorney General Eric T. Schneiderman

[Translate to Another Language](#)

[OUR OFFICE](#) | [MEDIA CENTER](#) | [DIVISIONS](#) | [RESOURCES](#) | [INITIATIVES](#) | [CONTACT US](#) | [SEARCH](#)
[Home](#) » [Media Center](#) » [Press Releases](#) » [March 20th 2014](#)

A.G. Schneiderman Announces Settlement With Health Insurer That Wrongly Denied Mental Health Benefits To Thousands Of New Yorkers

MVP Health Care Will Overhaul Behavioral Health Claims Review Process, Cover Residential Treatment And Bring Co-Pays Into Line With Primary Care

Insurer To Submit Thousands of Denied Claims For Review; Could Result In More Than \$6M In Restitution To Consumers; Will Pay \$300K Penalty

Schneiderman: We Are Vigorously Enforcing Mental Health Parity Laws

NEW YORK – After an investigation uncovered widespread violations of mental health parity laws, Attorney General Eric T. Schneiderman today announced a settlement with Schenectady-based MVP Health Care, requiring the health insurer to reform its behavioral health claims review process, cover residential treatment and charge the lower primary care co-payment for outpatient visits to most mental health and substance abuse treatment providers. The settlement, the second against a health insurer so far this year enforcing the parity laws, also requires the health insurance plan -- which has more than 500,000 members in the Albany region, Central New York and the Hudson Valley -- to submit previously denied mental health and substance abuse treatment claims for independent review, which could result in more than \$6 million being returned to its members.

An investigation by the Attorney General's Health Care Bureau found that since at least 2011, MVP Health Care, through its behavioral health subcontractor, Value Options, issued 40% more denials of coverage in behavioral health cases than in medical cases. The agreement with MVP is the second reached by the Attorney General's office so far this year and stems from a broader, ongoing investigation into health insurance companies' compliance with mental health parity laws. For details on the earlier settlement with Cigna Corporation, please click [here](#).

"Ensuring that New Yorkers have adequate access to mental health and substance abuse treatment should be a priority for our state," **Attorney General Schneiderman** said. "Insurers must comply with the law to ensure that individuals with mental health conditions are treated no differently than those with physical ailments -- and that they are getting what they pay for from insurers. With this settlement, MVP Health Care commits to greatly improving treatment services available to thousands of New Yorkers."

New York's mental health parity law, known as Timothy's Law, was enacted in New York in 2006, and requires that insurers provide mental health coverage at least equal to coverage provided for other health conditions.

Mental and emotional well-being is essential to overall health. Every year, almost one in four New Yorkers has symptoms of a mental disorder, but less than half of those people receive treatment. And, despite the fact that in any given year, one in ten New Yorkers has a substance use disorder, only 11% of these individuals receive any treatment. Lack of access to treatment for the vulnerable individuals, which can be caused by health plans' coverage denials, can disrupt work, family, and school life, and lead to more serious illness.

In one case, the investigation found that MVP repeatedly denied coverage for the treatment of a young woman with a very serious history of substance abuse disorder, even though her providers had prescribed inpatient rehabilitation, residential and intensive outpatient treatment. As a result, the woman's family was forced to spend a great deal of time on a long series of appeals, and paid more than \$150,000 out of pocket for her treatment.

New York City Press Office: (212) 416-8060

Albany Press Office: (518) 776-2427

nyag.pressoffice@ag.ny.gov



A.G. Schneiderman Requests Executive Order To Restore Public Confidence In Criminal Justice System



A.G. Schneiderman Announces Resources To Aid Homeowners And Consumers Impacted By Buffalo Area Snow Storm



Press Releases

› 2015

› January

› 2014

› January

› February

› March

› April

› May

› June

› July

› August

› September

In another case, an MVP Health Care member with a long history of addiction to heroin and prescription painkillers requested coverage for inpatient substance abuse rehabilitation treatment. The plan rejected the claim, citing to the wrong criteria.

The OAG's investigation further revealed that before 2014, MVP Health Care did not cover residential treatment for behavioral health conditions, even though it is a standard, recommended, evidence-based form of treatment. MVP excluded this type of treatment while covering similar treatment -- skilled nursing, for example -- for medical conditions. In one case, MVP Health Care denied coverage of residential treatment for a young woman with a severe case of anorexia nervosa, a potentially life-threatening condition. As a result, her family had to pay thousands of dollars out of pocket so that she could receive necessary treatment in a residential treatment facility.

Under today's settlement, MVP Health Care has agreed to cover residential treatment for behavioral health conditions, including eating and substance abuse disorders, and has designated \$1.5 million for reimbursement of members' past residential treatment claims that had previously not been covered. The Attorney General's office estimates that more than 3,000 MVP members may be eligible for reimbursement for denied claims, including for residential treatment.

The Attorney General's investigation into MVP revealed that since 2009, when it outsourced administration of behavioral health benefits to ValueOptions, a managed behavioral health organization, MVP Health Care has scrutinized behavioral health care claims more rigorously than it has medical and surgical claims, and that has resulted in thousands of its members not receiving coverage for care requested by their doctors and therapists. The disparity is especially pronounced in more intensive levels of care. The plan denied 39% of its members' claims for inpatient psychiatric treatment and 47% of its members' claims for inpatient substance abuse treatment, rates that are more than double the plan's denial rate for inpatient medical claims.

MVP Health Care has agreed to overhaul its claims review process by:

- Removing visit limits for almost all behavioral health services.
- Classifying claims correctly so that reviews are done expeditiously and members are afforded full appeal rights.
- Removing the requirement that members "fail" outpatient substance abuse treatment before receiving inpatient rehabilitation treatment.
- Basing the number of treatment days or visits approved on members' needs rather than arbitrary limits.
- Co-locating medical and behavioral health claims review staff, which will facilitate the coordination of members' care.
- Ensuring that letters denying behavioral health claims are accurate and specific, so that members can exercise their appeal rights.
- Continuing coverage of treatment pending the completion of internal appeals, so that treatment is not interrupted.

The plan also charges the higher, specialist co-payment for psychotherapy, which can deter members from seeking treatment. Under the agreement, MVP will charge the lower, primary care co-payment for members' outpatient visits to most behavioral health professionals.

To assist members in accessing their behavioral health benefits, MVP Health Care will appoint full-time behavioral health advocates to help members cut through red tape, and will provide information regarding claims review and treatment options.

MVP Health Care has also agreed to provide members with an independent review of claims or requests that were denied as not medically necessary from 2011 through present, which could result in more than \$6 million in reimbursement to members. The plan will also allow members to submit claims for reimbursement for residential treatment services received since 2011, which could result in up to \$1.5 million being refunded to members.

Under the settlement, MVP Health Care will also submit to monitoring and will pay \$300,000 to the OAG as a civil penalty.

Consumers with questions or concerns about this settlement or other health care matters may call the Attorney General's Health Care Bureau Helpline at 1-800-428-9071.

- [October](#)
- [November](#)
- [December](#)

Archived

- [2013](#)
- [2012](#)
- [2011](#)
- [2010](#)
- [2009](#)
- [2008](#)
- [2007](#)
- [2006](#)
- [2005](#)
- [2004](#)
- [2003](#)
- [2002](#)
- [2001](#)
- [2000](#)
- [1999](#)
- [1998](#)

The investigation of this matter was conducted by Assistant Attorney General Michael D. Reisman, of the Attorney General's Health Care Bureau, which is led by Bureau Chief Lisa Landau. The Health Care Bureau is a part of the Social Justice Division, which is led by Alvin Bragg.

| Executive | Criminal Justice | Economic Justice | Social Justice | State Counsel | Administration |
|--|---|---|---|---|---|
| Community and Intergovernmental Affairs FOIL Press Regional Offices Solicitor General Criminal Appeals and Opinions Conviction Review Bureau | Criminal Enforcement & Financial Crimes Bureau Organized Crime Task Force Medicaid Fraud Control Unit Public Integrity Bureau Investigations Bureau Taxpayer Protection Bureau | Antitrust Bureau Consumer Frauds Bureau Internet Bureau Investor Protection Bureau Real Estate Finance Bureau | Charities Bureau Civil Rights Bureau Environmental Protection Bureau Health Care Bureau Labor Bureau Tobacco Compliance Bureau | Civil Recoveries Bureau Claims Bureau Litigation Bureau Real Property Bureau Sex Offender Management Bureau | Budget & Fiscal Management Bureau Legal Recruitment Human Resources |

WWW.AG.NY.GOV

[Home](#) | [Contact Us](#) | [Privacy Policy](#) | [Disclaimer](#)

© 2015 NEW YORK STATE ATTORNEY GENERAL. All Rights Reserved.