New Mexico Mental Health/Substance Use Disorder Parity and Compliance Presentation

Mental Health Parity and Addiction Equity Act (B) Working Group

Presenters:

Viara Ianakieva, Director, Life and Health Division

Jessica Sanchez, Mental Health Parity Program Coordinator

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NEW MEXICO | OFFICE OF SUPERINTENDENT OF INSURANCE

Overview

New Mexico's mental health coverage program is a fully operational, data-verified, and enforceable mental health parity regulatory system.

Distinguishing Factors:

- Expanded state authority over mental health coverage
- Comprehensive multi-phase filings
- Raw data–driven enforcement
- Documented outcomes
- Transparency and education infrastructure
- Dedicated staff with deep subject matter expertise

What Sets New Mexico Apart

New Mexico is a leader in Mental Health (MH) coverage and removing barriers to Behavior Health (BH) care
(SB 317 (2021) , SB 273 (2023), SB 120 (2025) and New Mexico Statutes Annotated, Chapter 59A, Article 22B)

- Explicit state mandates and enforcement authority.
- Addresses network adequacy, including access to out-of-network MH/SUD services at in-network cost-sharing when in-network services are not reasonably available.
- Expands reimbursement parity for MH/SUD providers — a protection with no federal counterpart.
- Enhanced oversight of NQTLs and QTL/financial requirements.
- Prohibits the use of step therapy for SUD services.
- Medical necessity criteria must align with generally accepted standards of care.
- Prohibits health plans from rescinding or altering an authorization for MH/SUD services after the service has been provided.
- Reduces prior authorization and referral requirements for in-network MH/SUD services.
- Eliminates arbitrary limits on treatment duration and requires greater collaboration with treating providers when making authorization decisions.
- Prevents plans from excluding coverage for MH/SUD services that would otherwise be covered under certain circumstances.

Mental Health Parity Compliance Filings

Major MH/SUD Parity Filing Phases

- Provider Network/Reimbursement (Due January 15)
- Claims and UM Compliance Review (Due April 30)
- Claims and UM File Audit (Due September 1)
- Templates and analysis conducted prior to PY26 QHP and large group reviews

Multi-pronged approach to determine “as written” and “in-operation” compliance

- Self-Attestation Tools
- Self-Reported aggregate data (cross-referenced to raw data):
  - INN Rates/Credentialing Template
  - OON Utilization Template
- NQTL Comparative Analyses (Excel spreadsheet broken up among 2 filings)
- Raw Data Layouts and corresponding coversheets for SERFF
- Claim and UM record audit submissions, from the raw data analyses

Raw Data Collection and Templates

For each utilization management request, provide the following:

Item Number	New Field Name	Description if applicable	Format
1	Company Code	NAIC Company Code	A/N
2	Market Segment	Market Segment (Large Group, Small Group or Individual)	A
3	Plan Code	Plan Code	A/N
4	Exchange Type	On- or Off-Exchange Plan (On, Off, Both)	A
5	Plan Type	HMO/PPO/EPO	A
6	Member ID	Deidentified Member Number (unique masked member identifier)	A/N
7	Request Date	Date Authorization (PA, CR, RR) or Recommended Clinical Review Requested (MM/DD/YYYY)	Date
8	Prior Authorization Indicator	Prior Authorization (Y/N)	A
9	Recommended Clinical Review Indicator	Recommended Clinical Review (Y/N). If not applicable, NA	A
10	Concurrent Review Indicator	Concurrent Review (Y/N)	A
11	Retrospective Review	Retrospective Review (Y/N)	A
12	Urgent Indicator	Urgent (Y/N)	A
13	Service Start Date	Service start date (MM/DD/YYYY)	Date
14	Service End Date	Service end date (MM/DD/YYYY)	Date
15	Days Approved	Number of IP days approved (for IP claims)	N
16	Number Approved	Number of services approved	N
17	Service Code	Exact Service Code Requested (CPT, HCPCS, Level of Care, or	A/N

List of Changes | Medical Claims File | Medical UM File | Prescription Drugs Claims File | Prescription UM File

What the Mental Health Parity Team Learned

- Initially, the data we requested did not provide enough information to evaluate compliance.
  - Raw data reduces the need for multiple summary templates and enables more accurate, reliable analysis.
  - Raw data collection required the use of deidentified member IDs and strict formatting standards to protect and prevent any disclosure of PHI to maintain confidentiality.
  - Large data files sent outside SERFF needed cover sheets, tracking logs, and version control.
- Often carriers interpreted the laws narrowly or differently from OSI, especially regarding NQTLs, provider reimbursements, and network adequacy requirements.
- Staffing success required broader expertise: regulatory background, healthcare experience, SMEs, and data analysis, legal.
- Identifying and documenting each statutory violation.
- Next Steps - Corrective Action Plans and progressive enforcement planning.
- Considering future rulemaking to eliminate statutory interpretation and other compliance issues.

Compliance Efforts and Outreach Highlights

Compliance Activities:

- 537 potential compliance questions via 131 objection letters;
- Over 100 total claims reprocessed or corrected by insurers after MH Parity Team objections;
- 3 carriers voluntarily updating provider reimbursement methodologies/rates;
- 9 voluntary self-corrective actions by insurers based on OSI objections.

Education and Outreach:

- 8 publications issued, including Bulletins, Consumer/Provider/Insurer FAQs'
- 6 outreach events to insurers, providers, and the community.

Enforcement in 2026:

- Progressive enforcement including but not limited to corrective action plans

State Models New Mexico Used

California DOI:

- "Notice to Health Insurers Requirements of Senate Bill 855" – provided definition of "Generally recognized Standards of Care" created by nonprofit professional organizations.

Maryland DOI:

- MHPAEA Consumer Guide

Oregon Health Authority:

- Mental Health Parity Protocol 2024- In depth tool for collecting and reviewing data with detailed instructions.
- Mental Health Parity Treatment Limit Attestation Tool 2024- based our format for all self-attestation tools from this example.

Texas DOI- https://www.tdi.texas.gov/health/hb10.html

- Requests a list of codes for various specialties with reimbursement rate comparisons to Medicare allowable.

Templates, Tools, and Resources:

- National Organizations and Guidelines:
  - SAMHSA-MHPAEA Best Practices in 7 states
  - SAMHSA Parity Training Tool for Policy Makers
  - The “Six-Step” Parity Compliance Guide for NQTL Requirements (Kennedy Forum Issue Brief (Sept 2017)
  - American Association of Community Psychiatrist (AACP)- LOCUS: Level of Care Utilization System for psychiatric and addiction services: https://www.communitypsychiatry.org/locus
- Research Triangle Institute (RTI) study: https://www.rti.org/publication/behavioral-health-parity-pervasive-disparities-access-network-care-continue
- Kennedy Forum is a nonprofit that works to advance mental health equity and improve access to care
  - (Our Focus Areas | The Kennedy Forum)
- Federal Organization Guidance
  - Department of Labor Self-compliance Tool for Mental Health Parity and Substance Use Disorder Act.
  - 2024 MHPAEA Report to Congress, Issued January 2025- deep dive into NQTL compliance and short comings from insurance carriers.

Contact Us

NM BH General:

MH Parity Webpage: Mental Health Parity

MH Parity Team email:
OSI.MentalHealthParity@osi.nm.gov

Individual NM BH Team:

- Jessica Sanchez, Mental Health Access Provider Network Program Coordinator
  - jessica.sanchez@osi.nm.gov
- Blanca Ramirez, Mental Health Access Utilization Management Program Coordinator
  - blanca.ramirez@osi.nm.gov
- Danelle Callan, Managed Health Care and Compliance Bureau Chief
  - danelle.Callan@osi.nm.gov
- Viara Ianakieva, Life and Health Division Director
  - Viara.Ianakieva@osi.nm.gov