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Seabrook House Ends Provider Network Contract With Aetna, Alleges Parity Act Violations

On July 7, 2013, Seabrook House, an addiction treatment provider organization in New Jersey, terminated its provider network contract with Aetna after receiving dozens of denials since 2012, for residential addiction treatment deemed medically necessary by Seabrook House physicians. The denials concerned rehabilitation and partial hospitalization services; however, Aetna continued to approve detoxification inpatient services and outpatient treatment. Seabrook House believes the pattern of denials represent violations of the Mental Health Parity and Addiction Equity Act of 2008 (MPHAEA), and the Patient Protection and Affordable Care Act of 2010 (PPACA). Aetna has denied all of Seabrook House's accusations, stating that Seabrook House has not provided any objective evidence that MPHAEA violations have taken place.

Seabrook House treatment programs are based on a three-phase treatment model. Phase one involves intensive stabilization and detoxification, followed by a residential treatment program lasting 28 to 35 days, which includes individual and group therapy and education as well as education about the biological, social, and spiritual aspects of addiction. Phase two is a gender-specific supervised transitional living program lasting at least 90-days; programs are intended to allow participants to apply tools and skills learned during phase one. Phase three is an outpatient aftercare program that consists of weekly therapy sessions for at least eight months.

According to Seabrook House, starting in 2012, Aetna began denying claims for rehabilitation and partial hospitalization services, paying only for the detox services and outpatient treatment. Additionally, the process of obtaining initial urgent admission authorization for Aetna members has increased from an average of 12 minutes to over two hours. Aetna has upheld the denials on appeal. Aetna paid Seabrook House a per diem rates for detoxification services, a case rate for residential rehabilitation services, and a per diem rate for partial hospitalization and intensive outpatient treatment.

Seabrook House has submitted de-identified records of more than 60 claims denials by Aetna and other insurers to the National Association of Addiction Treatment Providers (NAATP), which is monitoring denial trends noted by its member organizations. The NAATP is preparing to advocate for stronger federal enforcement of the MPHAEA provisions. The final rule for the MPHAEA has not yet been released.

Aetna has about 200 participating network addiction treatment provider organizations in the four-state region that includes southern New York state, New Jersey, Delaware, and southeastern and northeastern Pennsylvania. An Aetna spokesperson said the company follows the ASAM PPC-2 as its medical necessity guideline. The type of care covered is determined by the medical and treatment needs of each individual according to the relevant medical guidelines, and benefit availability. Consistent with ASAM guidelines, Aetna takes into consideration the severity of illness, support systems, and other factors that influence the member's treatment needs. The same care management team supports the member across the continuum of care. Reimbursement arrangements depend on the contract with the facility. Some methodologies include negotiated inclusive rates, case rates, per diem rates, and other reimbursement methods. For residential treatment, room and board are generally included in the contracts; members are not asked to pay room and board, although room and board are not generally considered to be medical costs.

Non-profit Seabrook House had participated in Aetna's provider organization network since the early 1990s. Seabrook House provides addiction treatment programs based on 12-Step principles at two locations, a 146-bed inpatient and residential facility with 37 beds licensed for detoxification in New Jersey, and a 28-bed inpatient transitional living facility in Pennsylvania. Outpatient offices are located in Cherry Hill and Northfield, New Jersey. For the fiscal year ended December 31, 2011, Seabrook House reported \$16.5 million in revenue and \$16.3 million in expenses. Program expenses were reported at \$8.5 million.

The full text of "For Parity To Fulfill Promise, CEOs See Fight On Many Fronts" was published in the July 22, 2013, issue of *Alcoholism & Drug Abuse Weekly*. A free copy is available online at http://seabrookhouse.org/wp-content/uploads/2013/07/ADAW25_28e.pdf (accessed August 13, 2013).

Aetna has publicly posted its interpretation of the federal parity legislation in a dedicated web page titled "Aetna's Approach to Mental Health Parity." The page is located at www.aetna.com/plans-services-health-insurance/detail/behavioral-health-insurance/mental-health-parity.html (accessed August 13, 2013).

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