



Mental Health and Substance Use Disorder Parity Compliance and Oversight Report

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Introduction

The Minnesota Department of Commerce (Commerce) and Minnesota Department of Health (MDH) (collectively, the Departments) review health insurance plans' compliance with mental health parity requirements that mental health and substance use disorder (MH/SUD) be covered in a manner no more restrictive than medical and surgical care. Minnesota Statutes § 62Q.47(k), requires Commerce, in consultation with MDH, to produce an annual report on the Departments' efforts to regulate and enforce mental health parity laws. This report details the Departments' compliance and oversight efforts for calendar year 2025.

Changes to Mental Health Parity Laws and Regulations

State and federal laws require that the level and types of coverage offered for mental health and substance use disorders be equal to the level and types of coverage offered for medical and surgical services for nearly all health plans. This means copayments, visit limitations, prior authorizations, pharmacy benefits, and more cannot be more restrictive for mental health and substance use services than for medical and surgical benefits.

State Law

In 2025, the following updates were made to strengthen Minnesota's enforcement and monitoring of Mental Health and Substance Use Parity laws and regulations.

[Minn. Stat. sec. 62A.673](#) Section H extends audio only telehealth until July 1, 2027.

[Minn. Stat. sec. 256B.0625, subd. 13h](#), and [Minn. Stat. sec. 62Q.83](#) Protects consumers when medication formularies change midyear. If a consumer is on a medication at the beginning of a plan year, and the plan removes it from the formulary during the plan year, the plan must allow the person to continue the medication and cannot increase the person's cost for the medication.

[Minn. Stat. sec. 62K.10](#) Updated network adequacy standards to reference the federal health care exchange standards which includes time, distance, and wait times.

[Minn. Stat. sec. 256B.0949](#) EIDBI reform makes many changes to the Early Intensive Developmental and Behavioral Intervention program, including establishing a licensing program, background checks, defining employee, defining who can provide the services, and what services can be delivered. [Laws of Minnesota 2025, 1st Spec. Sess., chapter 9, article 6.](#)

[Minn. Stat. sec. 62Q.75](#) Makes changes regarding claims filing to the requirement that a provider or facility submit initial charges within six months or an additional 12 month or 6-month period. The six-month submission requirement must be extended an additional six months if the health plan makes any adjustment or recoupment of payments.

Federal Law

The U.S. Departments of Health and Human Services, Labor, and Treasury (the Tri-Departments) promulgated rules in 2021 providing additional guidance for the enforcement of nonquantitative treatment limitations (NQTs). These rules were updated in 2024 and became effective January 1, 2026. In January 2025, the ERISA Industry Committee filed a lawsuit against the Tri-Departments' 2024 rules. In response, the Tri-Departments announced that they would not be enforcing the 2024 rules and will issue new proposed rules by the end of 2026.

State Compliance Reviews

Commerce and MDH use several tools and processes to ensure that health plans are complying with state and federal mental health parity requirements. All health plans' policy forms are reviewed for compliance before they are sold (pre-market reviews). Additionally, the Departments may look at how consumers are able to enroll in and use their health benefits (post-market reviews).

Pre-Market Reviews

Minnesota collects forms and health plan data that outline the benefits, limitations, provider networks, rates, and other health plan attributes for the products health plans intend to offer for an upcoming benefit year. The Departments review these submissions for compliance with state and federal regulatory requirements, including mental health parity requirements. Health plans are required to resolve any identified deficiencies before a product can be sold.

This pre-market review includes a review of health plans' policy forms, which stipulate what is and is not covered and how these benefits are paid. For MH/SUD services, this includes an evaluation of a health plan's prior authorization requirements, medical necessity requirements, exclusions, and other utilization management policies.

The review also uses tools from the Centers for Medicare & Medicaid Services (CMS) that flag possible issues with plan and formulary design. Specifically, the Departments use tools that assess plan benefits and ensure that certain financial requirements (such as copayments and out-of-pocket limitations) are no more restrictive on the MH/SUD side than they are on the medical/surgical side. The Departments also analyze health plan formularies using CMS tools that specifically look for unexpectedly large numbers of prescription drugs subject to utilization review requirements, including mental health drugs.

MDH reviews health plan's provider network data for compliance with geographic access standards as required under Minnesota Statutes, section § 62K.10. Requirements for outpatient behavioral health range from 20 minutes or ten miles in large metro counties, to 110 minutes or 100 miles in critical access counties. The requirements for inpatient psychiatric facility services range from 30 minutes or 15 miles in large metro counties, to 155 minutes or 140 miles in critical access counties. Health plans may be granted a waiver from these requirements if there are no providers present in the given area, the health plan and provider cannot come to contract terms, the provider cannot meet credentialing standards, and/or the network is an

Accountable Care Organization (ACO) or narrow network. In 2025, MDH amended how they reviewed mental health services and evaluated provider networks based on several mental health categories, instead of reviewing mental health services as an aggregate.

Post-Market Reviews

MHPAEA requires that health plans demonstrate compliance with QTLs and with NQTLs “as written and in operation,” and post-market reviews are essential to ensuring compliance in operation. Minnesota does this primarily through quality assurance exams and market conduct exams. Additionally, the Departments review complaint and investigation data to identify trends and other potential market issues.

Quality assurance exams are conducted every three years on licensed HMOs. These exams are conducted by MDH and include an evaluation of how mental health care is incorporated into a health plan’s quality oversight programs, complaints systems, access to services and providers, and utilization management. If a health plan does not meet the necessary requirements, MDH may require the HMO to produce a corrective action plan, provide quarterly status updates on progress made towards rectifying any identified issues, and/or pay a monetary penalty. [Quality assurance reports](#) are posted on MDH’s website.

Market conduct exams are not conducted on a fixed schedule but are typically triggered by a specific concern. Commerce continues to monitor corrective action plans against Medica, HealthPartners, and UnitedHealthcare Insurance Company and PreferredOne Insurance Company (collectively, UHC) following market conduct exams conducted in 2023 and 2024. Results of these previous exams can be found on [Commerce’s website](#). Information on current investigations is considered confidential under the Minnesota Government Data Practices Act until the investigation is complete. Results of ongoing market conduct exams will be detailed in future reports.

In 2025, Commerce received 128 complaints related to behavioral health. These numbers include complaints that were investigated by Commerce, as well as those that are forwarded to the appropriate regulatory agency. The Departments also facilitate an external appeals process, which is an independent process where a neutral third-party evaluates a health plan’s decision to deny coverage. The Departments received 39 external appeals requests related to MH/SUD coverage.

In 2025, the Department received complaints or external review requests on the following MH/SUD areas:

- Medications and services related to treatment resistant depression
- Reports that plans were asking for all medical records prior to reimbursement
- Difficulty obtaining prescriptions for medications for ADHD, Sleep Disorders,
- Difficulty obtaining Applied Behavioral Analysis/Early Intensive Developmental and Behavioral Interventions (ABA/EIDBI) treatments for Autism Spectrum Disorder
- Delays or denials in contracting
- Concern over clinical trainees not being able to be reimbursed
- Untimely recoupment of payments

Information Provided to the Public

The Mental Health Parity and Substance Abuse Accountability Office, which was established in 2024, participates in outreach and education opportunities with the public and with providers. In 2025, staff from the office attended ten conferences and events, reaching an estimated 10,000 attendees in total. At these events, the office raises awareness about the state's mental health parity work, provides education on consumer rights, and engages in discussions regarding parity-related concerns.

Information on mental health and substance use disorders, including information on mental health parity, is also shared with the public on the Departments' websites and through the Departments various social media platforms.

- [Mental Health and Substance Use Disorder Parity: Know Your Benefits](https://www.health.state.mn.us/facilities/insurance/managedcare/faq/parity.html)
(<https://www.health.state.mn.us/facilities/insurance/managedcare/faq/parity.html>)
- [Mental Health & Substance Use Disorder Treatment](https://mn.gov/commerce/insurance/health/mental-health/)
(<https://mn.gov/commerce/insurance/health/mental-health/>)