

# Mental Health Parity Law

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## The Law

- [ H.R. 1424-117
- [ Paul Wellstone and Pete Domenici
- [ Mental Health Parity and Addiction Equity Act of 2008

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## Sec. 512: Mental Health Parity

- [ Amends the Employee Retirement Income Security Act of 1974 by adding:
  - [ In the case of a group health plan that provides both medical and surgical benefits and mental health or substance use disorder benefits

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## Financial Requirement

- [ Such a plan will ensure that:
  - The financial requirements applicable to the mental health or substance use disorder benefits **ARE NO MORE RESTRICTIVE** than those applied to the medical and surgical benefits

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## Treatment Limitations

- [ The treatment limitations applicable to the mental health or substance use disorder benefits are no more restrictive than those applied to the medical and surgical benefits
- [ And there are no separate cost sharing requirements applicable only to mental health and substance abuse disorder benefits

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## Definitions

- [ Financial requirements: deductibles, co-payments, out-of-pocket expenses (excludes an aggregate lifetime limit or annual limit)
- [ Treatment limitations: limits on the frequency of treatment, number of visits, days of coverage or other similar limits on the scope or duration of treatment

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## Availability of Plan Information

- [ The criteria for medical necessity determinations for mental health or substance use disorder benefits shall be made available by the plan administrator to any participant or provider
- [ The reason for any denial shall be made available

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## Out of Network Providers

- [ In the case of a group health plan that provides both medical and surgical benefits and mental health or substance use disorder benefits:
  - [ If the plan provides coverage for medical or surgical out-of-network providers
  - [ [then] the plan shall provide coverage for mental health or substance use benefits provided by out-of-network providers

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## Cost Exemption

- [ if the application of this .... increases plan cost by 2% in the first year, then 1% in a subsequent year... the provisions of this section shall not apply to such plan during the following plan year, and such exemptions shall apply for one plan year

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## Benefits Defined

- [ 'mental health benefits' means benefits with respect to services for mental health conditions as defined under the terms of the plan and in accordance with applicable Federal and State law

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## Benefits Defined

- [ 'substance use disorder benefits' means benefits with respect to services for substance use disorders conditions as defined under the terms of the plan and in accordance with applicable Federal and State law

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## Compliance Reporting

- [ will be made every two years to appropriate committees of Congress

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## Guides and Information

- [ The Secretary of Labor... with Health and Human Service and Treasury, shall publish and disseminate guide and information for group health plans, etc... and shall inform participants and beneficiaries of how they may obtain assistance under this section including assistance from State consumer and insurance agencies

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## Exemption

- [ this shall not apply to an employer who averaged from 2 to 50 employees during the calendar year

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## Effective Date

- [ enacted on January 1, 2009
- [ take effect January 1, 2010

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## GAO Study

- [ The Government Accounting Office shall conduct a study on coverage and exclusion of mental health and substance use disorder diagnoses not later than 3 years after the date of the enactment of this act
- [ It shall be an analysis of.....

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## GAO Study

- [ Coverage rates for all mental health conditions
- [ Which diagnoses are most commonly covered or excluded
- [ Whether implementation of this act has affected trends in coverage or exclusion of such diagnoses
- [ The impact on coverage or excluding specific diagnoses on participants' health and the costs of delivering health care

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## Comments

- [ “An individual would pay an extra 46 cents per biweekly paycheck and a family would pay \$1.02... the Hay Group consulting firm predicts increased costs of 2% to 3%... a 1998 study estimated full parity could increase premiums up to 3.6% and as high as 5% for fee-for-service plans... studies also show that an increase in what insurance companies pay up front could help them save money over time...”

— Worth, Tammy (October 13, 2008) Cost estimates vary on mental health parity law. Los Angeles Times

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## More Information

- [ For Further Information:
  - See [www.psychod.com](http://www.psychod.com), search on Mental Health Parity

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