



**S 588 An Act relative to parity implementation filed by Senator Cindy Friedman**

**H 910 An Act relative to parity implementation filed by Representative Ruth Balser**

**Currently before the Health Care Finance Committee**

President George W. Bush signed the Mental Health Parity and Addiction Equity Act into law on October 3, 2008. The Act was sponsored by Congressman Patrick J. Kennedy (D-RI). **Parity as a concept is very simple:** insurance coverage for mental health and substance use disorder care should be no more restrictive than insurance coverage for any other medical condition. However, the Federal Parity Law is very complex, and implementation of the law can be challenging.

Insurers have done a good job of coming into compliance with some of the more straightforward components of the law, such as making sure copays and visit limits for mental health and addiction care are no more restrictive than they are for other medical care. However, **insurers are likely not complying** with some of the more complicated components of the law, albeit unintentionally.

Many of these trouble spots relate to **how insurers design and apply their managed care practices**, such as prior authorization requirements, step therapy, and requirements for providers to join an insurer's network. Often, insurers design and apply these managed care techniques in ways that are **more restrictive for mental health and substance use disorder treatment** than for other medical treatment, which violates the Federal Parity Law and can lead to deaths from suicides, overdoses, and other forms of preventable death.

**States have primary enforcement authority** over insurers that sell health insurance policies in their states. While there is growing interest by state insurance departments to implement the law and increasing willingness by insurers to submit data to regulators demonstrating compliance, there is much uncertainty about how to do so in an efficient manner that meets the tests of the law. This legislation provides a roadmap for how insurers and regulators can secure compliance without undue administrative burden.

- First, the legislation establishes **reporting requirements for insurers** to demonstrate how they design and apply their managed care tactics, so regulators can determine if there is compliance with the law.
- Second, the legislation specifies how **state insurance departments can implement parity** and then report on their activities.

This legislation is required to identify which carriers are compliant with the 2008 federal parity law and which are not. The transparency this legislation affords, by mandating carriers to report specific, important data, will assist policy makers, providers and most importantly our patients to access critically important mental health and substance use benefits.