

# Mental Health Parity

Mental Health Parity is something you may have heard about in the news, and thought to yourself, “I should know about this, but I’m not sure what it is.” You are right! If you or a family member has a behavioral health diagnosis, parity is important to know about. According to the United States Department of Labor, Employee Benefits Security Administration:

*The Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) requires group health plans and health insurance issuers to ensure that financial requirements (such as co-pays, deductibles) and treatment limitations (such as visit limits) applicable to mental health or substance use disorder (MH/SUD) benefits are no more restrictive than the predominant requirements or limitations applied to substantially all medical/surgical benefits. MHPAEA supplements prior provisions under the Mental Health Parity Act of 1996 (MHPA), which required parity with respect to aggregate lifetime and annual dollar limits for mental health benefits.*

## **What does that mean and how does this apply to mental health disorders?**

First, let’s define the word parity. Parity means equal. Employment-based group health plans and health insurance issuers that provide group health coverage for mental health/substance use disorders are to maintain parity (equality) between such benefits and their medical/surgical benefits. In other words, if your health insurance plan covers a service for a medical reason, then it is to cover an equal service for mental health disorders. For example, if your insurance plan covers office visits for you to see your medical doctor and you pay only a co-pay of \$20.00, then when you visit your therapist for a mental health disorder, you would pay a \$20.00 co-pay for that visit as well.

## **What insurance plan benefits does parity cover?**

There are six classifications of benefits: 1) inpatient, in-network; 2) inpatient, out-of-network; 3) outpatient, in-network; 4) outpatient, out-of-network; 5) emergency care; and 6) prescription drugs. If a plan covers mental health or substance use disorder benefits in one of the six classifications, the plan must provide coverage in all of the classifications in which medical/surgical benefits are available. Therefore, a plan that provides medical/surgical benefits on an outpatient basis may not limit mental health or substance use disorder benefits to inpatient care only.

## **Are any plans exempt from parity?**

Yes. While MHPAEA applies to most employment-based health coverage, there are a few important exceptions. Specifically, MHPAEA does not apply to small employers who have fewer than 51 employees. There is also an increased cost exemption available to plans whose costs increase by more than a specified amount and who follow guidance issued by the Department of Labor, the Treasury and Health and Human Services (HHS). Additionally, plans for State and local government employees that are self-insured may opt-out of MHPAEA’s requirements if certain administrative steps are taken (such as sending notice to enrollees). Finally, MHPAEA does not apply to retiree-only plans.

## **Who do I notify if I have a complaint?**

If you feel that your health insurance plan is violating the law, you can contact the Federal government or the Idaho State Department of Insurance at: <http://www.doi.idaho.gov/>. You may contact the Department of Labor at 1-866-444-3272 or on the web at: <http://www.dol.gov/ebsa/contactEBSA/consumerassistance.html>. You may also contact the Department of HHS at 1-877-267-2323 ext 61565 or at [phig@cms.hhs.gov](mailto:phig@cms.hhs.gov) or your State Department of Insurance at <http://naic.org/>.

For more information on Mental Health Parity, go to <http://www.dol.gov/ebsa/mentalhealthparity/index.html>. You may want to take a look at the document [Understanding Implementation of the Mental Health Parity and Addiction Equity Act](#)