Federal Law Bulletin
Mental Health Parity and Addiction Equity Act of 2008

Blue Cross Blue Shield of Rhode Island

Title and Link:	Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (the "Act"), available at (starting at page 117). http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_cong_bills&docid=f:h1424enr.txt.pdfInterim Final Rules (the "Regulation") published in the Federal Register on February 2, 2010 by Department of Health, Department of Labor, and Department of Treasury. http://www.bcbsaforms.org/newdownloads/Parity_Regs_-_Federal_Register_-_Feb_2.pdf
Purpose:	This new law establishes parity between medical and surgical (M/S) benefits and benefits relating to mental health and/or substance use disorders (MHSA). Group health plans subject to the act can not establish more restrictive financial requirements or treatment limitations for MHSA than those established for M/S benefits.
Effective Date:	
Act:	The Act applies for plan years beginning on or after October 3, 2009. For group health plans maintained pursuant to one or more collective bargaining agreements that were ratified before October 3, 2008, the Act is effective for plan years beginning after the *later of* either January 1, 2010, or the date the last collective bargaining agreement relating to the plan terminates.
Regulation:	The effective date of the Regulation is the first day of the plan year which starts on or after July 1, 2010. Group health plans subject to a collective bargaining agreement that was executed prior to October 3, 2008 have to comply with the Regulation on either July 1, 2010 or on the day the last of the collective bargained agreements related to the group health plan expires, whichever is later.
Scope:	Group health plans sponsored by employers with 50 or more employees in the prior calendar year, whether self-funded or fully insured. Employers with multiple plans (e.g. a medical/surgical plan and separate drug plan, or a medical/surgical plan and separate mental health plan) must combine those plans for the purposes of determining compliance with parity requirements.
Benefit Requirements:	The Act and implementing regulations do not require coverage of MHSA; however, a plan that includes coverage for these disorders must ensure that MHSA benefits are at parity with M/S benefits.
Quantitative:	Quantitative treatment limits (e.g. frequency of treatment, number of visits, days of coverage, or similar limits on scope/duration) and financial requirements (e.g. deductibles, copayments, coinsurance, and out-of-pocket expenses) must be reviewed within six "benefit classifications." These are Inpatient/In Network, Inpatient/Out of Network, Outpatient/In Network, Outpatient/Out of Network, Pharmacy, and Emergency services. Benefits for MHSA must not be more restrictive than the predominant (most common or frequent) treatment limits and/or financial requirements applied to substantially all (at least two-thirds) of the M/S benefits within the classification. Plans which apply lifetime and/or annual maximums, deductibles, and/or out of pocket maximums must combine M/S and MHSA benefits in calculating these amounts. Plans that provide out-of-network access for M/S benefits are required to provide out-of-network MHSA coverage in a manner consistent with the requirements of the Act. Financial limits and treatment restrictions must be comparable for out-of-network MHSA and for out-of-network M/S benefits.
Non-Quantitative:	The Regulation requires that non-quantitative treatment limitations (e.g. elements such as case management, concurrent care review, pre-authorization, retrospective review and utilization review) must be comparable for both M/S and MHSA benefits.
Notice Requirements:	The insurer or plan must disclose, upon request, the criteria for MHSA medical necessity determinations and/or the reasons for any denial. This disclosure must be consistent with ERISA claims procedure regulations.
Effect on Rhode Island Law:	Rhode Island's mental health parity law is preempted to the extent it sets limits for mental health and/or substance abuse treatment. The Rhode Island law continues to apply to the extent it does not prevent application of the federal law, and is applicable to group health plans that are not subject to the Act. Health plans offered to "Small Employers" under RIGL 27-50 must comply with the Act because the federal and state definition of "employees" differs.

This document provides an overview of the requirements of the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 and the Interim Final Rules. It is intended for informational purposes only and does not constitute legal or compliance advice. Group health plans should consult their counsel for specific guidance.

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