Obama Administration Issues Rules Requiring Parity in Treatment of Mental, Substance Use Disorders, Paul Wellstone, Pete Domenici Parity Act Prohibits Discrimination

The Departments of Health and Human Services, Labor and the Treasury today jointly issued new rules providing parity for consumers enrolled in group health plans who need treatment for mental health or substance use disorders.

"The rules we are issuing today will, for the first time, help assure that those diagnosed with these debilitating and sometimes life-threatening disorders will not suffer needless or arbitrary limits on their care," said Secretary Sebelius. "I applaud the long-standing and bipartisan effort that made these important new protections possible."

"Today's rules will bring needed relief to families faced with meeting the cost of obtaining mental health and substance abuse services," said U.S. Secretary of Labor Hilda L. Solis. "The benefits will give these Americans access to greatly needed medical treatment, which will better allow them to participate fully in society. That's not just sound policy, it's the right thing to do."

"Workers covered by group health plans who need mental health and substance abuse care deserve fair treatment," said Deputy Treasury Secretary Neal Wolin. "These rules expand on existing protections to ensure that people don't face unnecessary barriers to the treatment they need."

The new rules prohibit group health insurance plans—typically offered by employers—from restricting access to care by limiting benefits and requiring higher patient costs than those that apply to general medical or surgical benefits. The rules implement the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA).

MHPAEA greatly expands on an earlier law, the Mental Health Parity Act of 1996 which required parity only in aggregate lifetime and annual dollar limits between the categories of benefits and did not extend to substance use disorder benefits.

The new law requires that any group health plan that includes mental health and substance use disorder benefits along with standard medical and surgical coverage must treat them equally in terms of out-of-pocket costs, benefit limits and practices such as prior authorization and utilization review. These practices must be based on the same level of scientific evidence used by the insurer for medical and surgical benefits. For example, a plan may not apply separate deductibles for treatment related to mental health or substance use disorders and medical or surgical benefits—they must be calculated as one limit.

MHPAEA applies to employers with 50 or more workers whose group health plan chooses to offer mental health or substance use disorder benefits.

The new rules are effective for plan years beginning on or after July 1, 2010.

The Wellstone-Domenici Act is named for two dominant figures in the quest for equal treatment of benefits. The late Senator Paul Wellstone (D-MN), who was a vocal advocate for parity throughout his Senate career, sponsored the ultimately successful full parity act. He was joined by former Senator Pete Domenici (R-NM) who first introduced legislation to require parity in 1992. Champions of the legislation also included the bipartisan team of Representative Patrick Kennedy (D-RI) and former Representative Jim Ramstad (R-MN).

The issue of parity dates back over 40 years to President John F. Kennedy, and was also supported by President Clinton and the late Senator Edward Kennedy.

The interim final rules released today were developed based on the departments' review of more than 400 public comments on how the parity rule should be written. Comments on the interim final rules are still being solicited. Sections where further comments are being specifically sought include so-called "non quantitative" treatment limits such as those that pertain to the scope and duration of covered benefits, how covered drugs are determined (formularies), and the coverage of step-therapies. Comments are also being specifically requested on the regulation's section on "scope of benefits" or continuum of care.

Comments on the interim final regulation are due 90 days after the publication date. Comments may be emailed to the federal rulemaking portal at: http://www.regulations.gov.

Comments directed to HHS should include the file code CMS-4140-IFC. Comments to the Department of Labor should be identified by RIN 1210-AB30. Comments to the Treasury's Internal Revenue Service should be identified by REG-120692-09.

Comments may be sent to any of the three departments and will be shared with the other departments. Please do not submit duplicates.