

Changes to Mental Health Parity Law

Last year Congress passed the Emergency Economic Recovery Act of 2008, which impacted the [Mental Health Parity \(MHP\) Law \(S.558\)](#). The new legislation which states “a health plan’s mental health and substance use disorder benefits cannot be more restrictive than the plans’ medical and surgical benefits,” becomes effective October 3, 2009.

The law affects groups of 51 or more eligible employees who offer mental health and/or substance abuse benefits. This includes self-funded, ERISA and non-ERISA groups. Individual coverage, certain government plans (i.e. public schools, local and state governments, etc.) and union groups with an existing bargaining agreement until the later of the date the last bargaining agreement expires or January 1, 2010, are all exempt from the law. Affected groups will be required to become compliant on their renewal dates starting October 1, 2009.

State law requirements are not changed by the federal law’s new requirements. Therefore, all groups are still required to comply with state law provisions applicable to mental health and substance abuse benefits.

Major insurance carriers such as Blue Cross Blue Shield of Michigan (BCBSM), Health Alliance Plan (HAP), and Priority Health all will have to adjust their current compliance plans. This means you should expect new MHP riders in the next few months. Going forward Benefits Schedules, Charts, Guides, etc. will be updated with the changes and implemented after they are approved by the Office of Financial and Insurance Regulation.

Regulations that may help clarify the law will be published but are not yet available. The purpose of this communication is to provide a basic understanding of the changes and inform you that the carriers are working on their new compliance requirements as dictated by the new regulations.

This document is a basic synopsis of the Mental Health Parity Law and should not be viewed as legal counsel. Should you have specific questions regarding this law, please contact your legal counsel or follow up with your J.S. Clark Account Manager by calling 248.355.9600.