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APA Asks Regulators to Ensure Compliance with Parity Law

ARLINGTON, Va. (June 5, 2009) — Measures should be taken to ensure that the new mental health parity law is implemented in a way that best serves patients and also benefits employers, the American Psychiatric Association said in comments to federal agencies that will guide implementation. The mental health parity law requires equity in insurance coverage of mental illness including substance use disorders.

APA Medical Director James H. Scully Jr., MD, provided written comments to the U.S. Departments of Labor, Health and Human Services and Treasury, which will provide guidance for implementation of the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008.

Dr. Scully praised the departments for taking time to gather information in order to create clear and effective regulations for implementation. He said potential cost increases associated with parity will be minimal and outweighed by the benefits of providing appropriate access to mental health care. In fact, states that have required parity found costs were less than expected and often offset by increased productivity, reduced absenteeism and reduced disability costs.

Dr. Scully urged the departments to require real-time monitoring of insurance coverage and management practices.

The APA wants to ensure that the new law is implemented in the way lawmakers intended, Dr. Scully said. “There is always the danger that some insurers could engage in aggressive benefit management that amounts to de facto treatment limitations.”

The new law requires parity between medical/surgical and mental health/addiction benefits in healthcare plans that offer mental health coverage. Equity coverage will apply to all financial requirements, including deductibles, copayments, coinsurance, and out-of-pocket expenses, and to all treatment limitations, including frequency of treatment, number of visits, days of coverage, or other similar limits. Previous legislation passed in 1996 provided limited parity only on lifetime and annual dollar limits.

Passage of the law was the culmination of a decade-long effort to eliminate discriminatory coverage for mental health, including substance use disorders. The law is expected to improve coverage for over 113 million people, including 82 million individuals covered by employer-sponsored plans that were not subject to state regulations.

The APA is calling for prompt, clear, and strong regulations that set guidelines to help employers and insurers comply. The APA is recommending a system where insurance plans have a combined deductible for all covered healthcare costs rather than two separate but equal deductibles for medical/surgical and mental health/substance use disorder benefits.

The APA also asked regulators to monitor management techniques such as differential reimbursement for physicians, prior authorization, and utilization review, which can become impediments to the equal coverage that patients need and deserve. For example, prior authorization can be a legitimate benefit management tool, but can also be used as a roadblock for patients seeking certain treatments. The APA objects to the use of prior authorization to access mental health care where there is no similar requirement on the medical and surgical benefit.

“In summary, benefits for psychiatric services should be indistinguishable from benefits for other medical services,” Dr. Scully said.

The APA’s comments can be read in full at

<http://www.psych.org/MainMenu/AdvocacyGovernmentRelations/GovernmentRelations/Final-Parity-Comments-5-28-09.aspx>.

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The American Psychiatric Association is a national medical specialty society whose more than 38,000 physician members specialize in diagnosis, treatment, prevention and research of mental illnesses including substance use disorders. Visit the APA at www.psych.org and www.HealthyMinds.org. Statements in this press release or the articles in the *Journal* are not official policy statements of the American Psychiatric Association.