American Hospital Association

Support the Mental Health Parity Act of 2007

BACKGROUND

The Mental Health Parity Act of 2007 (S. 558), introduced by Sens. Pete Domenici (R-NM), Edward Kennedy (D-MA) and Michael Enzi (R-WY), is intended to expand the limited protections offered by the Mental Health Parity Act passed in 1996. That law provided for parity between mental health and physical health insurance coverage only with respect to annual and lifetime dollar limits. *The Mental Health Parity Act of 1997* would also establish parity for hospital days, outpatient visits, co-pays, deductibles and out-of-pocket maximums. Full parity is critical since, after the 1996 law took effect, many employers eliminated discriminatory dollar limits on mental health coverage, but created new discriminatory restrictions on other aspects of mental health benefit plans, such as office visits and hospital days.

KEY LEGISLATIVE PROVISIONS

- Requires group health plans that cover more than 50 employees to provide full parity for physical and mental health coverage if they offer mental health benefits, but does not mandate that a group plan offer mental health benefits. An estimated 113 million Americans would be affected (82 million under ERISA; 31 million under state laws).

- Extends mental health parity to include substance abuse and chemical dependency services.

- Requires parity for out-of-network services when a health plan offers those services in addition to its in-network services.

- Pre-empts state laws related to financial and treatment limitations but preserves aspects requiring coverage of mental disorders. This narrow pre-emption preserves important patient protection provisions (i.e., employers would not be able to drop coverage of diagnoses that are required in that state).

- Allows health plans to opt out if their costs rise significantly.

WHAT YOU CAN DO

Ask your Senator to cosponsor **S. 558** (a current list of cosponsors can be viewed at http://thomas.loc.gov/cgi-bin/bdquery/z?d110:SN00558:@@@P) and pass mental health parity this year.