

Do you have an average of fifty or more employees for every year?

Do you provide health insurance to those employees?

Does that health insurance provide some coverage for mental health and/or substance abuse problems?

If the answer to all three of these questions is yes, then the Mental Health Parity and Addiction Equity Act of 2008, which went into effect on January 1, 2010, applies to your company.

This new law requires large employers to provide the same treatment benefits and financial limitations for mental health and substance abuse problems that it provides for other medical or health-related matters. For contracts negotiated after October 3, 2009, it mandates:

- If a group health plan includes medical/surgical benefits and mental health benefits, the deductibles, co-payments and treatment limitations that apply to mental health benefits must be no more restrictive than the same conditions that apply to substantially all medical/surgical benefits.
- If the group health plan includes medical/surgical benefits and substance use disorder benefits, the deductibles, co-payments and treatment limitations that apply to substance abuse disorder benefits must be no more restrictive than the same conditions that apply to substantially all medical/surgical benefits.
- If a group health plan includes medical/surgical benefits and mental health and/or substance abuse disorder benefits, the mental health and/or substance abuse disorder benefits may not be subject to any separate cost sharing requirements or treatment limitations than those provided for medical/surgical benefits.
- If a group health plan includes medical/surgical benefits and mental health and/or substance abuse disorder benefits, and the plan provides for out of network medical/surgical benefits, it must also provide for out of network mental health and/or substance abuse disorder benefits.
- Standards for medical necessity determinations and reasons for denial of benefits relating to mental health and/or substance abuse disorders must be disclosed upon request.

Note that the new law does NOT require employers to provide mental health and/or substance abuse disorder coverage as part of the company's group health insurance coverage. It covers only those employers who already have that coverage as part of their group health insurance plan.

There are three exceptions to the new law:

- It does not apply to small employers who have between two and fifty employees.
- Large group health plan sponsors who can demonstrate that compliance with the new law will increase their claims by at least two percent in the

first year (one percent in the second year) may request exemption from the law based on their cost exemption.

- A non federal governmental employer that provides self-funded group health coverage to its employees may elect to exempt its plan from the requirements of the law by following the procedures and requirements posted on the United States Department of Labor webpage, then issuing a notice of op-out to enrollees at the time of enrollment and on an annual basis.

As of this date, the Department of Labor has not issued any further instructions or clarification for these new requirements, although it has promised further information by early April 2010. More information will be provided as it comes available.