

Legislative Brief

The Mental Health Parity and Addiction Equity Act of 2008



On October 3, 2008, President Bush signed into law the Emergency Economic Stabilization Act of 2008. Contained within this important but unrelated piece of emergency legislation is the *Mental Health Parity and Addiction Equity Act of 2008* (the "Act"), which requires group health plans to apply the same treatment limits on mental health or substance-related disorder benefits as they do for medical and surgical benefits. The Act also extends this parity requirement to inpatient and outpatient services, whether in-network or out-of-network, and to emergency care services.

Notably, the Act revised the definition of "mental health benefits" to now include substance use disorder benefits. The Act also requires group health plans to apply the same beneficiary financial requirements to mental health or substance use disorder benefits as they apply for medical and surgical benefits, including limits on deductibles, copayments and out-of-pocket expenses. Plan administrators are further required to make the criteria for "medical necessity" determinations with respect to mental health and substance use disorder benefits available to plan participants, beneficiaries or providers upon request.

Accordingly, if plans have limits on hospital inpatient days and/or outpatient visits for mental health treatments, but not for other treatments, they will be required to change their current plan design to comply with the new requirements of the Act.

The Act is applicable to plan years beginning after October 3, 2009 (for calendar year plans, that is **January 1, 2010**) and to group health plans under a collective bargaining agreement the later of (1) plan years starting on or after Jan. 1, 2010, or (2) the termination date of the last collective bargaining agreement relating to the plan.

For a copy of the new law, see: <http://www.govtrack.us/congress/bill.xpd?bill=h110-1424>

If you have questions regarding this important legislative development, please contact your Scott Insurance representative.

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