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| **Resources – Mental Health Parity** |
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Adopted from: <http://www.bazelon.org/Where-We-Stand/Access-to-Services/Mental-Health-Parity.aspx>

**Mental Health Parity**

The Bazelon Center has long worked for parity in health insurance coverage. In our view, failing to cover mental health treatment is both discriminatory and bad public policy. Providing equal coverage makes good economic sense. When mental illnesses go untreated, costs escalate and those costs are shifted to the public sector and our economy. Major mental disorders cost the nation at least $193 billion annually in lost wages, and the cost of alcohol and drug problems in the United States is more than $400 billion. In the words of former First Lady Rosalynn Carter, “We also pay the price for the inequality of mental health care in the number of homeless, lives lost to suicide, and families torn apart.”

Fortunately, two new laws have brought the country much closer to full parity in health insurance coverage. The first, [the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act](http://www.bazelon.org/LinkClick.aspx?fileticket=71b2qMxg8cc%3d&tabid=137), took effect in July 2010. While that law does not require private plans to offer coverage for mental health or substance use disorders, it does stipulate that *if*these conditions are covered, coverage must be equitable with coverage for other health conditions. This means, for example, that insurers cannot have stricter limits or higher co-payments for mental health services than they do for other types of care. The parity law applies to group plans that cover 50 or more employees. It also extends the protections of parity to certain self-insured plans that have until now been exempt from federal and state regulation of benefits. Since about half of all Americans covered by private plans are enrolled in these self-insured plans, this provision of the law will significantly reduce the number of people subject to discriminatory limits on their mental health coverage.

The 2010 health care reform legislation, referred to as the [Affordable Care Act](http://www.bazelon.org/LinkClick.aspx?link=136&tabid=137), also [addresses parity](http://www.bazelon.org/LinkClick.aspx?fileticket=4SLhcBf-V7o%3d&tabid=137). It establishes state-based health insurance exchanges to assist individuals and small business in purchasing health insurance and requires plans sold through an exchange to include mental health care and substance use disorder services at parity. The Act also requires that certain Medicaid plans--benchmark plans that were designed to mimic private insurance and have fewer benefits than traditional Medicaid--must provide parity for mental health and substance abuse treatment.

These new laws represent significant progress in ensuring fair and equal coverage of mental health and substance use disorders in insurance coverage. While there is still more work ahead to ensure non-discrimination, the nation has taken significant strides in its efforts to promote equitable coverage.