



Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Act

What is the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Act?

The Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Act (mental health parity) is a new law. It was signed by President George W. Bush on October 3, 2008. The law provides equitable coverage of medical, surgical, and mental health and addiction benefits in healthcare plans that offer mental health coverage.

The law makes it illegal for health insurance plans sponsored by businesses with fifty or more employees to impose day and visit limits that are more restrictive than physical illness coverage. It also prohibits applying different deductibles, copayments, out-of-network charges, and other financial requirements for mental health treatment compared to physical health treatment covered in a plan.

Why pass a new law?

The act expands the 1996 Parity Act, which provided only limited parity for lifetime and annual dollar limits.

When does mental health parity go into effect?

Mental health parity becomes effective on October 4, 2009. However, most people will not see changes in their benefits until January 1, 2010.

Who is affected by the new law?

Over 113 million people will receive improved mental health coverage, including 82 million who live in states that do not regulate employer-sponsored plans. However, businesses with fifty or fewer employees will be exempt from the changes. Stronger mental health parity laws on the state level will trump the federal law.

Which entities are affected?

Plans covering mental health and addiction services and treatment will have to offer the same deductibles, co-pay amounts, and day limits as they offer for all medical and surgical coverage. However, health plans that do not already offer mental health coverage will not be required to do so under the new law.

Not every condition listed in the Diagnostic and Statistical Manual of Mental Disorders, published by the American Psychiatric Association, is covered. Health plans have discretion on which conditions to cover. Until the published science is as sound for adult AD/HD as it is for childhood AD/HD, there will be plans that will not cover adults. CHADD continues to advocate a better science base for the diagnosis and treatment of adult AD/HD.

Also, the legislation allows a company to apply for a cost exemption if the company can demonstrate a greater than two-percent increase in actual costs during the first year. The exemption, if approved, would free the company from offering mental health coverage on an equal basis as physical health treatment, but experts do not expect this to occur frequently.

Why is mental health parity important?

For too long, mental illnesses and addiction have taken a back seat to physical illnesses in insurance plans. This coverage will end insurance discrimination against mental health and will also likely lessen the stigma against mental illnesses, representing huge milestones for all those affected by AD/HD and other related disorders.

Where can I find more information on mental health parity?

See CHADD's Public Policy page online at www.chadd.org for more information or visit www.nami.org or www.mentalhealthamerica.net.