

# Mental Health Parity and Addiction Equity Act

Effective at Renewal after October 15, 2009

An amendment to the Employee Retirement Income Security Act (ERISA), this new law provides more far-ranging protections than the Mental Health Parity Act (MHPA) of 1996. Under the new law, if a group health plan covers the treatment of mental illness or drug or alcohol abuse, the treatment limits and financial requirements for these services can be no more restrictive than the predominant treatment limits and financial requirements that the plan applies to medical and surgical benefits or coverage.

- Treatment limitations include restrictions on the frequency of treatment, number of visits, days of coverage and similar limits on the scope or duration of treatment.
- Financial requirements are deductibles, co-payments, coinsurance and out-of-pocket maximums.

Substance abuse benefits and out-of-network mental health and substance abuse benefits are no longer excluded from these protections.

Self-insured plans are also required to comply with the new requirements. Small employers (those with an average of at least 2 and not more than 50 employees during the preceding calendar year) are exempt. Some plans may be eligible for a cost exemption if the total coverage costs increase 2% or more for the first year the new act is effective and 1% for each subsequent plan year if the cost increased because of the parity.

## What you should do:

Verify that your group health plans and policies comply with the new treatment limitations and financial requirements of the new law if you are a covered employer.