

**Jewish Federation of Metropolitan Chicago
Washington Mission
May 15-16, 2007**

Mental Health Parity – S 558/HR 1424

Your Message to the Illinois delegation:

Ask Congress to support and cosponsor the Mental Health Parity Act of 2007, S 558 and the Paul Wellstone Mental Health and Addiction Equity Act of 2007, HR 1424

KEY FACTS

- Mental health parity legislation would prohibit group health insurance plans from imposing treatment limitations or financial requirements on the coverage of mental health conditions that do not also apply to physical conditions.
- Offering insurance coverage for mental illness on par with coverage for physical illness does not increase health insurance costs, according to a study with potential implications for the ongoing debate over what health insurance should cover.
- Representatives Patrick Kennedy (D-RI) and Jim Ramstad (R-MN) introduced The Paul Wellstone Memorial Equity & Addiction Act of 2007, HR 1424, and Senators Pete Domenici (R-NM), Edward Kennedy, (D-MA), and Mike Enzi (R-WY) introduced the Mental Health Parity Act of 2007, S 558.
- Senator Durbin is a cosponsor of S 558 and Representatives Bean, Costello, Davis, Emanuel, Gutierrez, Hare, Jackson, Kirk, LaHood, Lipinski, Rush, and Schakowsky from the Illinois delegation are cosponsors of HR 1424.

Background

On March 9, 2007 Representatives Patrick Kennedy (D-RI) and Jim Ramstad (R-MN) introduced The Paul Wellstone Memorial Equity & Addiction Act of 2007, HR 1424, with 255 original bipartisan cosponsors. This legislation was named after Senator Paul Wellstone (DFL-Minnesota), a great champion of mental health parity who died in 2002. Senators Pete Domenici (R-NM), Edward Kennedy, (D-MA), and Mike Enzi (R-WY) introduced S 558, the Mental Health Parity Act of 2007 on February 12, 2007 with 21 original cosponsors. Mental health parity has gained the support of the majority of the House and many in the Senate, as well as the endorsement of President Bush. For the first time in several Congresses, mental health parity legislation may pass both houses of Congress and become law. This is an extremely important issue that affects a large number of people in our community.

Senator Durbin is a cosponsor of S 558 and Representatives Bean, Costello, Davis, Emanuel, Gutierrez, Hare, Jackson, Kirk, LaHood, Lipinski, Rush, and Schakowsky from the Illinois delegation are cosponsors of HR 1424.

The Senate bill would prohibit group health insurance plans from imposing treatment limitations or financial requirements on the coverage of mental health conditions that do not also apply to physical conditions. Businesses with fewer than 50 employees would be excluded from this legislation. State laws requiring the coverage of mental disorders are protected to assure those currently protected by state parity laws will continue to have their needs met. Additionally, there will not be limits on days or treatment visits. Furthermore, S 558 will also establish financial equity to substance abuse treatment.

In addition to the overarching principles included in S 558, HR 1424 includes: stringent protection of state mental health laws; parity in out-of-network treatment; an Internal Revenue Code provision imposing a tax of \$100 per day per beneficiary employers who do not comply with the equity requirements; a definition of mental illness; and medical necessity criteria limiting insurance companies from being able to decide which illnesses receive particular treatment.

Mental illness affects millions of families throughout the United States, at least \$79 billion is annually in lost productivity and unemployment, broken lives and broken families, emergency room visits, homelessness and unnecessary use of jails and prisons. Treatment for mental illness works, if accessible – treatment efficacy rates for most severe mental illnesses exceed those for heart disease and diabetes, and there is simply no scientific or medical justification for insurance coverage of mental illness treatment to be on different terms and conditions than other diseases. Discriminatory insurance coverage of mental illness bankrupts families and places a tremendous burden on taxpayers through higher expenditures for public disability and health benefits, chronic homelessness and inappropriate "criminalization" of mental illness. Thirty-four states, including Illinois have enacted parity laws similar to the proposed legislation, but even these laws offer no protection for workers and their families covered under self-insured Employee Retirement Income Security Act (ERISA) plans.

Offering insurance coverage for mental illness on par with coverage for physical illness does not increase health insurance costs, according to a study with potential implications for the ongoing debate over what health insurance should cover. The study, which appeared in the March 30, 2006 issue of *The New England Journal of Medicine*, compared seven plans under the Federal Employees Health Benefits Program (FEHBP) from 1999 to 2002 with plans that did not provide "mental health parity." In 1999, President Clinton ordered that FEHBP provide coverage for mental health conditions and substance abuse treatment on par with coverage for physical illness. When the Office of Personnel Management implemented Clinton's order, it encouraged FEHBP plans to employ managed care techniques to control anticipated cost increases linked with broader mental health and substance abuse coverage. The study, "Behavioral Health Insurance Parity for Federal Employees," found that mental health parity did not increase costs for the seven plans for federal employees, nor did it increase use of mental health services. However, "the implementation of parity was associated with significant reductions in out-of-pocket spending in five of seven plans."

If enacted, mental health parity legislation would provide access to care for the millions of Americans crippled by mental illness. It will also greatly increase the capacity of Federation agencies to provide and be reimbursed for essential services to their clients. This law would positively impact a number of Federation agencies, including JCFS, JVS, CJE, and Sinai Health System.