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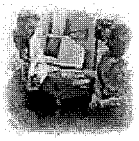
State Laws Mandating or Regulating Mental Health Benefits

Updated: February 2009; reposted with additions February 11, 2010. NEW



Mental health services have been one significant part of medical care for a number of years. However, the costs, coverage and availability of such services have been the object of policy discussions and a variety of state legislation. There is not a general consensus that state government should require coverage for mental health. 49 states and D.C. currently have some type of enacted law but these laws vary considerably and can be divided roughly into three categories:[1]

1. **mental health "parity" or equal coverage laws** [definition]
2. **minimum mandated mental health benefit laws** [definition]
3. **mental health "mandated offering laws".** [definition]

Note that some laws apply primarily to "serious mental illness" and may not assure coverage for particular individual diagnoses or circumstances. Many private market health plans include some type of mental health benefits on a voluntary commercial basis, not necessarily required by state or federal laws. Note that grief counseling may not be considered a covered benefit under some state laws, although it may be offered by insurers as part of a standard mental health benefit package. Laws in at least 38 states include coverage for substance abuse, alcohol or drug addiction.

CMS Guidance Regarding Mental Health Parity Requirements in CHIPRA, Medicaid and Group Insurance NEW

The federal Centers for Medicare & Medicaid Services (CMS) issued a State Health Official letter on November 4, 2009 regarding the mental health parity requirements under the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA). The letter provides general guidance on implementation of section 502 of CHIPRA, Public Law 111-3, which imposes mental health and substance use disorder parity requirements on all Children's Health Insurance Program (CHIP) State plans under title XXI of the Social Security Act (the Act). This letter also provides preliminary guidance to the extent that mental health and substance use disorder parity requirements apply to State Medicaid programs under title XIX of the Act.

In summary the letter addresses specific requirements in the measure as follows:

1. Qualifying financial requirements and treatment limitations applied to mental health or substance use disorder benefits may be no more restrictive than those applied to medical surgical benefits.
2. No separate qualifying criteria may be applied to mental health or substance use disorder benefits.
3. When out-of-network coverage is available for medical surgical benefits, it must also be available for mental health or substance use disorder benefits.

Medicaid and Group Health Insurance:

Requirements from the Paul Wellstone and Pete Dominici Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) became effective for group health insurance plans on October 3rd of 2009. These same requirements will only apply to Medicaid insofar as the state's Medicaid agency contracts with one or more managed care organizations (MCOs) or Prepaid Inpatient Health Plans (PIHPs). In these cases the MCOs or PIHPs must be in compliance. A state Medicaid plan is not subject to these requirements otherwise. The MHPAEA applies to all CHIP programs and became effective April 1 of 2009. State CHIP plans are deemed in compliance if they provide coverage of Early and Periodic, Screening, Diagnosis and Treatment (EPSDT) benefits.

States Requiring Legislative Action for Compliance

The letter also specifies that if a state requires legislation in order to be in compliance with the requirements, a state will not be found to be in violation before its next legislative session as long as it notifies the Secretary of HHS and she concurs that legislation is needed. They ask that states in the circumstances submit a letter to the Center for Medicaid and State Operations to that effect as soon as possible and include information as follows:

1. the provisions in question,
2. the reason the state requires legislative action for compliance, and
3. the date the state will begin implementing the provision.

Federal Law Requiring Parity in Some Circumstances - in effect 2010

On October 3, 2008, the Emergency Economic Stabilization Act (HR 1424) passed Congress and was signed into law. It included a major mental health provision - known as the "*Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act*," which was attached to the economic bill and also became law. This federal mental health law requires health insurance plans that offer mental health coverage to provide the same financial and treatment coverage offered for other physical illnesses. It does not mandate that group plans must provide mental health coverage. [Parity Section 512 full text]

This legislation expands parity by requiring equality for deductibles, co-payments, out-of-pocket expenses, coinsurance, covered hospital days, and covered out-patient visits. The measure also includes a small business exemption for companies with fewer than 50 employees, as well as a cost exemption for all businesses if it will result in a cost increase of 2% in the first year and 1% in each subsequent year. The bill builds on the current 1996 federal parity law, which already requires parity coverage for annual and lifetime dollar limits. The current HIPAA preemption standard applies. This standard is extremely protective of state law. Only a state law that "prevents the application" of this Act will be preempted, which means that stronger state parity and other consumer protection laws remain in place. It will require the Comptroller General to inform Congress on health plans' and health insurers' coverage and exclusion rates, patterns, and trends of mental health and substance use disorder diagnoses. The new law exempts businesses with 50 or fewer employees from its mental health parity requirements.

Major provisions go into effect in 2010. Now that the federal government has released their long-awaited rules for complying with the Mental Health Parity Law (Fed. Register, Feb. 2), health plans and employers must act immediately to ensure compliance. Employers have until the first plan year beginning on or after July 1, 2010, to meet the requirements. With benefit design decisions needing to be made a few short months from now, health plans and sponsors need to take immediate steps to understand what is required and prepare for this major change in health insurance.

Sources: Press Release from the Office of U.S. Senator Pete Domenici; Press Release from the Office of U.S. Senator Edward Kennedy.
News Article: "Lawful Boost to Mental Health Coverage" Los Angeles Times, October 13, 2008.

Recent State Law History

In **2002** laws were added in **Alabama, Colorado, Kentucky, New Hampshire** and **New Jersey**.

In **2003**, "barebones" laws allowing exceptions to mandated coverage, were enacted in **Colorado, Montana and Texas. Maine** expanded categories of illnesses covered; **Hawaii** and **Kansas** extended dates of existing coverage laws.

In **2005**, **Washington** enacted a full mental health parity law, applying to health insurance, but exempting policies for individuals and small group employers with 50 or fewer employees. It will take effect in phases between 2006 and 2010. **Oregon** also enacted a full parity law that took effect January 1, 2007.

In **2006-07**, four additional states passed variations of full parity laws. **Idaho's** law provides parity, but only for state employee and family insurance policies. **New York's** former Gov. George Pataki signed Timothy's Law, named for a 12-year-old boy who committed suicide in 2001. The law requires that all private insurance policies have the same deductibles, number of office visits, number of inpatient visits and co-payments for mental health disorders as for other illnesses. The statute also requires that private plans provide at least 30 days of inpatient and 20 days of outpatient mental health care per year. In **Ohio**, outgoing Gov. Bob Taft signed his state's first mental health parity law (SB 116) on Dec. 29, 2006. The Mental Health Parity Act mandates that coverage provided for seven "biologically based mental illnesses," such as schizophrenia and bipolar disorder be on par with those for physical conditions. In July 2007 The **North Carolina** legislature enacted a measure covering nine conditions. See "TWO MORE STATES ENACT PARITY LAWS," State Health Notes, 1/22/07.

State Laws and Federal Limits: The state laws noted below generally do not apply to federally funded public programs such as Medicaid, Medicare, the Veterans Administration, etc. In addition, "self-funded" health insurance plans, often sponsored by the largest employers, usually are entirely exempt from state regulation because they are preempted by the federal ERISA law.

All of the state laws listed in this report were written and applied prior to the October 2008 passage of the Mental Health Parity and Addiction Equity Act, so coordination and interpretation of how state and federal laws combine or potentially conflict is a likely task for 2009.

> See ERISA and the States, a 2008 online resource guide by NCSL.

A Comment from the Commercial Sector

"Every client that I work with will have to make some plan-design changes to conform to the [new behavioral health parity provisions signed into law on Oct. 3]."

— Chip Kirby, an employee benefits attorney with Liberte Group LLC in Washington, D.C.,

told AIS's Health Plan Week., 10/24/2008

Mental Health Parity Laws
Parity, as it relates to mental health and substance abuse, prohibits insurers or health care service plans from discriminating between coverage offered for mental illness, serious mental illness, substance abuse, and other physical disorders and diseases. In short, parity requires insurers to provide the same level of benefits for mental illness, serious mental illness or substance abuse as for other physical disorders and diseases. These benefits include visit limits, deductibles, copayments, and lifetime and annual limits.
Parity laws contain many variables that affect the level of coverage required under the law. Some state parity laws--such as Arkansas'--provide broad coverage for all mental illnesses. Other state parity laws limit the coverage to a specific list of biologically based or serious mental illnesses. The state laws labeled full parity below provide equal benefits, to varying degrees, for the treatment of mental illness, serious mental illness and biologically based mental illness, and may include treatment for substance abuse. The newly enacted federal parity law affects insurance policies that already provide some mental health coverage; there is no federal law directly mandating parity to the same extent as state laws; also see background on unsuccessful federal parity legislation below the state table.

Minimum Mandated Benefit Laws
Many state laws require that some level of coverage be provided for mental illness, serious mental illness, substance abuse or a combination thereof. They are not considered full parity because they allow discrepancies in the level of benefits provided between mental illnesses and physical illnesses. These discrepancies can be in the form of different visit limits, copayments, deductibles, and annual and lifetime limits. Some mental health advocates believe these laws offer a compromise to full parity that at least provides some level of care. Others feel that anything other than full parity is discrimination against the mentally ill. Some of these laws specify that copayments and deductibles must be equal to those for physical illness up to the required level of benefits provided. If a law does not specify, the copayment could be as much as 50 percent of the cost of the visit and require a separate deductible to be met before mental health visits will be covered.

Mandated Offering Laws
Mandated offering laws differ from the other two types of laws in that they do not require (or mandate) benefits be provided at all. A mandated offering law can do two things. First, it can require that an option of coverage for mental illness, serious mental illness, substance abuse or a combination thereof, be provided to the insured. This option of coverage can be accepted or rejected and, if accepted, will usually require an additional or higher premium. Second, a mandated offering law can require that **if** benefits are offered **then** they must be equal.

Full Parity, Mandated Benefit and Mandated Offering State Laws

State	Eff. Date Law citation/ web link.	Insurance Policies Affected by Law.	Illnesses Covered. (1)	Type of Benefit/	Co-pays and Co-insurance
AL	2001: H.677 of 2000	Individual and group with a small employer exemption of 50 or less.	Mental illness.	Mandated offering.	Must be equal.
AL	2002: S. 293	Adds health care service plans and health maintenance organizations (signed 4/26/02)	Mental illness	Mandated offering	Must be equal
AK	1997 ----- 2006 HB 289 ----- 2009 H 222 (Ch. 55 of 2009)	Group - 5 employees or less exempt; 20 or less must offer coverage. ------ Limited to large employer group markets, and does not apply if it would result in an increase in the cost of the plan of 1% or more. ----- Requires health care insurers in the group market to provide parity in the application of mental health and substance abuse benefits that comply with federal requirements	Alcoholism and Drug Use. ------ Mental Illness. ------ Mental health and substance abuse (effective 10/1/09)	Minimum Mandated ------- Mandated Benefit. ----- Mandated benefit	Must be equal ------ Must be equal.
AZ	1998: Ariz. Rev. Stat. Ann. 20-2322	Group with small employer exemption 50 or less, or cost increase of 1% or more.	Mental illness.	Mandate for plans that offer benefits.	Can be different.
AR	1987 ------ 1997: §23-00-506	Group and HMO. ------ Group: small employer exemption 50 or less; cost increase 1.5% or	Alcoholism and drug dependency. ------- Mental illnesses and	Mandated Offering ------ Full parity.	Not less favorable generally. ------ Must be equal.

	[Act 1020 of '97] --- 2001 HB 1562	more exempted. --- Not applicable to employers with 50 or fewer employees and to plans covering state employees. Exempts health benefit plans if it will result in cost increase of 1.5% or more.	developmental disorders. --- Mental Illness.	--- Minimum Mandated	--- Must be equal.
CA	1974: Cal. Ins. Code § 10125	Group.	Mental or nervous disorders.	Mandated offering.	Not specified.
CA	2000: Cal. Ins. Code § 10144.5	Group, individual and HMO.	Severe mental illness.	Full parity.	Must be equal.
CO	1992: Colo. Rev. Stat. § 10-16-104(5) --- 1994	Group. --- Group	Mental illness excluding autism. --- Alcoholism	Mandated benefits. --- Mandated Offering	Shall not exceed 50% of the payment. Deductible shall not differ. --- Shall not exceed 50% of the payment. Deductible shall not differ.
CO	1998: §10-16-104(5.5)	Group.	Biologically based mental illness.	Full parity.	Must be equal.
CO	2002: Chapter 208 of 2002	Provide coverage for substance abuse treatment regardless of whether the treatment is voluntary or court-ordered. (signed 5/28/02)	Substance abuse	Clarification of earlier laws	
CO	2003: H 1164	Allows exceptions for barebones policies		Exceptions	
CT	2000: Conn. Gen. Stat. §38a-488a; §38a-514a	Group and individual.	Mental or nervous conditions; alcoholism and drug addiction.	Full parity.	Must be equal.
DE	1999: Del. Code Ann. Tit. 18 § 3343 Tit. 18 § 3566 --- 2001 H 100	Group and individual. --- Group, HMO, individual and state employee plans.	Serious mental illnesses. --- Drug and Alcohol Dependencies.	Full parity. --- Parity	Must be equal. --- Must be equal.
FL	1992: Fla. Stat. § 627.668 --- 1993	Group and HMO. --- Group and HMO.	Mental and nervous disorders. --- Substance Abuse.	Mandated offering. --- Mandated offering.	May be different after minimum benefits are met. --- Not Specified.
GA	1998: Ga. Code §33-24-29; §33-24-28.1 (SB 620, 1998)	Group and individual.	Mental disorders including substance abuse.	Mandated offering.	Must be equal.
HI	1999: Hawaii Rev. Stat. §431M-5 --- 2000 HB 2392	Group and individual with small employer exemption- 25 or less employees. --- Deletes exemptions for employers with 25 or fewer employees & for government employee health benefit plans.	Serious mental illness. ---	Full parity. ---	Must be equal. ---

HI	1988: Hawaii Rev. Stat. §431M-1 ~7	Individual, group and HMO.	Mental illness.	Mandated benefits.	Must be comparable.
HI	2003: HB 1321 ------ 2005: SB 761	Makes law permanent, deleting sunset dates. ------ Expands definition of 'serious mental disorders' in current law to include delusional disorders, major depression, obsessive-compulsive disorders, and dissociative disorders.	Mental illness. --------	Full parity --------	--------
ID	2006 HB 615 (ID Stat.: §67-5761A)	Health Insurance Plans for State Employees and their family members only.	Serious Mental Illness as defined in the APA's DSM-IV-TR.	Parity	Must be Equal.
IL	1991: Ill. Rev. Stat. Ch. 215 §5/370c ------ 1995 ----- 2001 SB 1341 ----- 2005 HB 59 ------- 2006 HB 4125	Group. ------ Group ------ Exempts employers with 50 or fewer employees. ------ Eliminates sunset provision in existing mental health parity law. ------ Makes HMOs subject to existing mental health coverage requirements.	Mental, emotional or nervous disorders. ------ Alcoholism ----- Serious Mental Illness ------ N/A ------- Increased number of visits for treatment of pervasive developmental disorders.	Full parity 2005 [See co-payment exceptions] Mandated offering, 1991-2004 ------- Mandated benefits ------ Parity for Serious mental illness; Mandated offering for other mental illness. ------ N/A ------- N/A	Insured may be required to pay up to 50% of the expenses incurred. ------- Not Specified. ------ Must be equal for serious illness. ------ N/A ------ N/A
IN	1997 HB 1400 ------ 2000: *H.1108 of '99*; Ind. Code § 27-13-7-14.8 Ind. Code § 5-10-8-9 (state)	Private Insurance Policies offering mental health benefits. Exempts employers with fewer than 50 employees and any business whose rates would increase over 1% as a result of legislation. ------ Group, individual and state employees with a small employer exemption 50 or less, or cost increase of 4% or more.	Mental Illness ------ Mental illness.	Parity ------- Mandate for plans that offer benefits. Full parity for state employee plans.	Not specified. ------ Must be equal for plans that offer coverage. Full parity for state employee plans.
IN	2003: H 1135	Adds substance abuse benefit for those with mental illnesses	Substance abuse	Mandate for those with mental illnesses	
IA	2005 HF 420; IA Code 514C.22 (2005)	Group policies to companies with more than 50 employees, public employees and small businesses that currently have mental health coverage.	Substance abuse, eating disorders, ADD not included.	Mandated Benefit.	Must be Equal.
KS	1998: § 40-2.105 2001: *H.2033 of '01* H 2071 of 2003 ------	Group, individual, HMO and state employee plans. H. 2071 extended sunset to Dec. 31, 2003.	Alcoholism or drug abuse or mental conditions.	Mandated benefits. ------	Not specified. ------

	2006 HB 2691	------ Group. If a policy does not have aggregate lifetime or annual limits on other medical benefits, then it may not impose them on mental health benefits.	------- Mental Illness	Minimum Mandated Benefits.	Not Specified.
KY	1980 ------ 1986: Ky. Rev. Stat. §§ 304.17-318 [group] §§304.38-193 [HMO]	Group ------ Group.	Alcoholism ------- Mental illness.	Mandated Offering. ------- Mandated offering.	Not Specified. ------ To the same extent as coverage for physical illness.
KY	2000: HB 268	Group with small employer exemption of 50 or less.	Mental illness and alcohol and other drug abuse.	Mandate for plans that offer benefits.	Equal if offered.
KY	2002: H 391 of '02	Small employer exemption raised to 51.			
LA	2000: La. Rev. Stat. Ann. § 22:669(1)	Group, HMO and state employee benefit plans.	Serious mental illness.	Mandated benefits.	Must be equal.
LA	1982: § 22:669(2)	Group, self-insured and state employee plans.	Mental illness.	Mandated offering.	Must be equal.
LA	1982: §22:215.5	Group.	Alcoholism and drug abuse.	Mandated offering.	Not specified.
ME	1984 ------ 1996: Me. Rev. Stat. Tit. 24 § 2325-A	Group with a small employer exemption for 20 employees or less. ------ Group with a small employer exemption for 20 or less.	Alcoholism and drug dependency. ------ Mental illness.	Mandated Benefit. ------ Full parity.	May place a maximum limit on benefits as long as they are consistent with the law. ----- Must be equal.
ME	1996: Me. Rev. Stat. tit. 24 § 2325-A(5-D)	Individual plans must offer coverage.	Mental illness.	Mandated offering.	Must be equal.
ME	2003: H 973	Group of 21 or more, including HMOs, adds substance abuse-related disorders and other illness categories.	Substance abuse, etc.	Full parity	
MD	1994: Md. Ins. Code Ann. § 15-802 (click 'code folder', then 'insurance', title 15, section 802)	Individual and group.	Mental illness, emotional disorder, drug abuse or alcohol abuse disorder.	Full parity [See co-payment exceptions]	Must be equal. Except outpatient: 80% -visits 1-5; 65% - visits 6-30; 50% visits over 30.
MD	2002: Chapter 394 of '02 (eff. 10/1/02)	Requires individual and group insurers, nonprofit health service plans, and HMOs to provide coverage for medically necessary residential crisis services.	Residential crisis services		
MA	1991 ------ 1996: Mass. Gen. Laws Ch. 175:47B	Individual, group, HMO. ------ Individual, group and HMO.	Alcoholism. ------ Mental or nervous conditions.	Mandated Benefits. ------ Mandated benefits.	Not specified. ------ Not specified.
MA	2001: *S.2036/ Ch. 80 of '00*	Individual, group and HMO. [Pro and Con testimony on costs of expansion]	Biologically-based mental illness.	Full Parity for bio -based; mandated benefits of mental illness and substance abuse.	Must be equal.

MI	1988 --- 2001: *S.1209 of '00, see §3501*	Group for Inpatient; Group and Individual for other levels. Exemption for cost increases of 3% or more. --- HMO's only, group and individual contracts, with a cost exemption of 3%.	Mental health and substance abuse --- Mental health and substance abuse	Minimum mandated benefits. --- Minimum mandated benefits.	Charges, conditions for services shall not be less favorable than the maximum for any other comparable service. --- Charges, conditions for services shall not be less favorable than the maximum for any other comparable service.
MN	1986 --- 1995; 2000: Minn. Stat. § 62A.152	Group and Individual. --- Group, individual and HMO's (full parity for HMO's).	Alcoholism, chemical dependency, or drug addiction. --- Mental health and chemical dependency.	Mandated Benefit. --- Full parity for plans that offer coverage and HMO's.	Not Specified. --- Must be equal.
MS	1975: Miss. Code Ann. § 83-9-39 to 41	Group.	Alcoholism.	Mandated benefit.	Not specified.
MS	2002: Miss. Code Ann. § 83-9-41; H667 of '01	Group and individual with an exemption if costs of implementation are 1% or more of overall costs.	Mental illness.	Mandated offering for small employers of 100 or less. Minimum mandated benefits for others.	Must be equal for inpatient and partial, however, payment for outpatient visits shall be a minimum of fifty percent (50%) of covered expenses.
MO	1997: §§ 376.825; § 376.811	Group, individual and HMO.	Mental disorders and chemical dependency.	Mandated offering.	Must be equal.
MO	2000: § 376.825 *H.191 of '99* --- *2004*	Group and individual. --- Group	Mental illness including alcohol and drug abuse. --- Mental Illness	Mandate for plans that offer benefits. --- Parity	Shall not be unreason-able in relation to the cost of services provided for mental illness. --- Must be equal.
MT	2000: Mont. Code Ann. § 33-22-706	Group and individual.	Severe mental illness.	Full parity.	Must be equal.
MT	1997; 2001 Mont. Code Ann. § 33-22-701 to 705	Group.	Mental illness alcoholism and drug addiction.	Mandated benefits.	No less favorable up to maximums.
MT	2003: H 384	12 month pilot allows exceptions for barebones policies.		Exceptions	
NE	1989 --- 2000:	Group and HMO --- Group and HMO with a small employer exemption of 15 or less.	Alcoholism --- Serious mental illness.	Mandated Offering. --- Mandate for	No less favorable generally than for physical illness. --- May be different.

	§§ 44-791 to 44-795			plans that offer coverage.	
NV	1997 ------- 2000: Nev. Rev. Stat. §§ 689A.0455; 689B.0359; 695B.1938; 695C.1738	Group, individual, and HMO. ------ Group and individual with a small employer exemption 25 or less, or cost increases of 2% or more.	Abuse of alcohol or drugs. ------- Severe mental illness.	Mandated benefits. ------- Mandated benefits.	Must be paid in the same manner. ------- Not more than 150% of out-of-pocket expenses required for medical and surgical.
NH	1993: N.H. Rev. Stat. Ann. §§ 415:18-a	Group, individual and HMO. Specifies different benefits for mental illness under major medical and non-major medical plans.	Mental or nervous conditions.	Mandated benefits.	Ratio of benefits shall be substantially the same as benefits for other illnesses.
NH	1995: § 417:E-1	Group.	Biologically- based mental illnesses	Full parity.	Must be equal.
NH	2002: H 762; Chapter 204 of 2002	Any policy of group or blanket accident or health insurance.	Parity for bio-based illnesses, mandated benefits for other MI's and substance abuse		
NJ	1985 ------ 1999: §§ 17:48-6v; 17-48A-7u; 17B:26-2.1s ------- 2000 ------ 2002	Group and individual. ------ Group and individual ------ State Employee Plans. ------ Individual Health Plans.	Alcoholism ------- Biologically based mental illness. ------- Biologically based mental illness. ------ Biologically based mental illness; alcohol and substance abuse.	Mandated benefits for care prescribed by a doctor. ------ Full parity. ------ Parity. ------ Mandated Offering.	Must be equal. ------ Must be equal. ------ Must be equal. ------ Bio based mental illness: No coinsurance but $500 copayment per inpatient stay. 30% coinsurance for outpatient stay. Alcohol and substance abuse: 30% coinsurance.
NM	1987 ----- 2000: N.M. Stat. Ann. §59A-23E-18	Group. ----- Group with different exemptions for small and large employers.	Alcoholism ----- Mental health benefits.	Mandated Offering. ----- Full parity.	Consistent with those imposed on other benefits. ----- Must be equal.
NY	1998: Ins. Law § 3221 (1)(5)(A) ---------- 2004 --------- 2006	Group. -------- Group ------- All private insurance policies. See: Timothy's Law web site, 2007.	Mental, nervous, or emotional disorders and alcoholism and substance abuse. ------- Eating Disorders -------- Mental health disorders	Mandated Offering. -------- Minimum Mandated Benefit. -------- Full parity	As deemed appropriate and are consistent with those for other benefits ------- Not Specified. ------- Must be equal. State to foot the

					bill for additional costs incurred by businesses with fewer than 50 employees; the Legislature allocated some $50 million to cover those costs
NC	1985 --- 1991 HB 279 --- 1997: N.C. Gen. Stat. § 58-51-55 --- 2007	Group --- State Employees Health Plan. --- State Employees Health Plan --- Health Insurers	Chemical Dependency. --- Mental Illness --- Mental illness and chemical dependency. --- Mental Illness	Mandated Offering. --- Parity --- Full parity. --- Parity	$8,000 per year and $16,000 per lifetime. --- Must be equal --- Must be equal. --- Must be equal.
ND	1995: N.D. Cent. Code § 26.1-36-09 *[page 431]*	Group and HMO.	Mental disorders, alcoholism and drug addiction.	Mandated benefits.	No deductible or copay for first 5 hours not to exceed 20% for remaining hours.
ND	2003: H 2210	Adds that inpatient treatment and partial hospitalization, or alternative treatment must be provided by an addiction treatment program licensed under chapter 50-31.	Substance abuse	Clarification	
OH	2006: SB 116 --- 1985: Ohio Rev. Code Ann.§ 3923.30	Law signed 12/29/06; effective --- Group and self-insured.	7 "biologically based mental illnesses," such as schizophrenia and bipolar disorder --- Mental or nervous disorders and alcoholism.	Full Parity --- Mandate for plans that offer mental health coverage. Mandated benefits for alcoholism.	--- Subject to reasonable deductibles and coinsurance.
OK	2000: Okla. Stat. tit. 36 §6060.11 to §6060.12 (SB 2, 1999)	Group with a small employer exemption 50 or less, or cost increase of 2% or more.	Severe mental illness.	Full parity.	Must be equal.
OR	1981 --- 2000: Or. Rev. Stat § 743.556 --- 2005: SB 913	Individual --- Group and HMO. --- Group.	Alcoholism --- Mental or nervous conditions including alcoholism and chemical dependency. --- Mental, nervous conditions including alcoholism and chemical dependency.	Mandated Offering. --- Mandated benefits. --- 2007: Full parity NEW	Coverage must be no less than 80% of total. --- Shall be no greater than those for other illnesses. ---
PA	1989	Group and HMO.	Alcoholism or drug addiction.	Mandated benefits.	For the first course of treatment shall be no greater

	------ 1999 H.366 of 1998, (see § 634)	------ Group and HMO-small employer exemption 50 or less.	------ Serious mental illness.	------ Mandated benefits.	than those for other illnesses. ------ Must not prohibit access to care.
RI	1995 ----- 1995 R.I. Gen. Laws § 27-38-2.1	Individual, group, self-insured and HMO. ----- Individual, group, self-insured and HMO. *(in effect through 12/31/2001)*	Substance dependency and abuse. ------ Serious mental illness.	Mandated benefits. ------ Full parity.	Not Specified. ----- Must be equal.
RI	1/1/2002 H.5478/ S.832 of 2001	Expands the state mental health parity law to include coverage for all mental illnesses and substance abuse disorders. *(replaces § 27-38.2-1 above)*	All mental illnesses & substance abuse disorders.	Full parity	Must be equal
SC	1994 S.C. Code Ann. § 38-71-737	Group.	Psychiatric conditions, including substance abuse.	Mandated offering.	May be different.
SC	2000 SB 1041 (repealed Jan 1, 2005) ------ 2005 SB 49	State employee insurance plan with cost increase exemptions. ------ Health Plan Insurers. Individual and small group policies are exempt.	Mental health condition or alcohol or substance abuse. ------ Psychiatric illnesses as defined by DSM-IV published by the APA.	Full parity. ------ Parity.	Must be equal. ------ Must be equal.
SD	1979 ------ 1998 § 58-17-98 (HB 1262, 1998) ------ 1999 HB 1264 ------ 2003 HB 1236	Group, individual and HMO. ------ Group, individual and HMO. ------ Group, individual and HMO. ------ Group, individual and HMO.	Alcoholism. ------- Biologically- based mental illness. ------- Clarifies biologically based mental illness as: schizophrenia, other psychotic disorders, bipolar disorder, major depression, and obsessive-compulsive disorder. ------- Offers exclusion of coverage for specified mental illness.	Mandated Offering. ------- Full parity. ------- Parity ------- n/a	Must be equal. ------- Must be equal. ------ Must be equal. ------ n/a
TN	1982 ------ 2000 § 56-7-2360; § 56-7-2601	Groups with exemptions for employers with 50 or fewer employees or it plan results in cost increases of 1% or more. ------ Group with a small employer exemption 25 or less, or cost increase of 1% or more.	Alcohol and Drug Dependency. ------ Mental or nervous conditions.	Mandated Offering. ------ Mandated benefits.	Must be equal. ------ Must be equal.
TX	1981 ------ 1991	Group and self-insured with an exemption for self-insured plans of 250 or less. ----- State employee plans.	Chemical Dependency. ------	Mandated Benefit. ------ Full parity.	Must be sufficient to provide appropriate care. ------ Must be equal.

			Biologically-based mental illness.		
TX	1997 Ins. art. 3.51-14	Group and HMO, with a small employer exemption of 50 or less.	Serious mental illness.	Mandated benefits with a mandated offering for small groups of 50 or less.	Must be equal.
TX	2003: SB 541	Allows insurers and HMOs to offer policies without mandates for the treatment of mental illness and chemical dependency, with an exception for serious mental illnesses.		Exceptions	
UT	2001 Utah Code Ann. 31A-22-625 (HB 35, 2000)	Group (as of 7/1/01) and HMO's (as of 1/1/01)	Mental illness as defined by the DSM.	Mandated offering.	May include a restriction.
VT	1997 Vt. Stat. Ann. tit. 8 §4089b (HB 57, 1997) ------- 2006 HB 40.	Group and individual. ------- Amends the 1998 statute to add an "any willing provider" amendment. The law prohibits an insurer from excluding from its network or list of authorized providers any licensed mental health or substance abuse provider located within the geographic coverage area of the health benefit plan if the provider is willing to meet the terms and conditions for participation established by the health insurer.	Mental health condition including alcohol and substance abuse. --------	Full parity. --------	Must be equal. --------
VA	2000 thru 7/1/2004 & indefinitely. Va. Code. § 38.2-3412.1	Group and individual with a small group exemption 25 or less. (Note: Extended without sunset date by S 44, see below)	Biologically-based mental illness including drug and alcohol addiction.	Full parity.	Must be equal to achieve the same outcome as treatment for any other illness.
VA	Effective 7/1/2004. § 38.2-3412.1	Group, individual and HMO. (See 2004 change, below)	Mental health and substance abuse.	Mandated benefits.	Co-insurance for outpatient can be no more than 50% after 5th visit. All others must be equal.
VA	S 44 of '04	Repeals sunset date of 7/1/04, above. (enacted 3/19/04)	Mental health and substance abuse.		
VA	S 212 of '04 *§§ 37.1-255*	Establishes Inspector General for Mental Health	Mental health & substance abuse		
WA	1987 Wash. Rev. Code § 48.21.241 --------- 2005 HB 1154 (effective 2006-10) --------	Group and HMO. -------- State's Basic Health Plan and businesses with 51 or more employees, excluding those that are self-insured. ------ Clarifies that mental health	Mental health treatment. ------ Mental Health Services except substance related disorders, life transition problems, skilled nursing services, home health care, or court ordered treatment. Court ordered treatment	Mandated offering. ------ Mandated offering. ---------	Reasonable deductible amounts and co-payments. ----- Not Specified. ---------

	2006 HB 2501	coverage applies to all group health plans for groups other than small groups as defined in existing state law. Provides that the copayment or coinsurance for mental health services be no more than the co-payment or coinsurance for medical and surgical services otherwise provided under the health benefit plan.	allowed if deemed medically necessary. ------- Requires prescription drugs to treat mental illness be covered as are other prescription drugs.		
WV	1998 § 33-16-3a	Group and individual with a cost increase exemption of 1%.	Mental or nervous conditions.	Mandated offering.	Not specified.
WV	2002 HB 4039 ------ 2004 HB 4286	Insurance plans and HMOs. Law allows insurer to apply "whatever cost containment measures may be necessary" to maintain costs below 2% of the total costs for the plan. ------- Repeals a section in previous statute relating to coverage for alcohol dependency since it is superseded by a section that explicitly mentions substance abuse treatment.	Serious Mental Illness as defined in the APA DSM. ---------	Full parity ----------	Not specified. ---------
WI	Wis. Stat. § 632.89 ------ 2004 SB 71	Group (with "at least specified minimum benefits in every group contract") ------ Group Insurance	Mental or nervous disorders ------ Exempts prescription drugs and diagnostic tests from minimum coverage limits.	Mandated offering ----- Mandated Offering.	Comparable deductibles and copays ------ Not specified.
D.C.	D.C. Code §31-3102			Mandated mental health coverage; specified minimum benefits	

NOTES for state mental health statute table:
A) The *Diagnostic and Statistics Manual of the American Psychiatric Association* (DSM) includes universally accepted definitions and descriptions of mental illnesses and conditions. There are 13 DSM diagnoses commonly referred to as biologically-based mental illnesses by mental health providers and consumer organizations. Between 3 and 13 of these diagnoses are referred to in various state parity laws. For example, in Alabama, mental illness is defined as: 1) schizophrenia, schizophrenia form disorder, schizo-affective disorder; 2) bipolar disorder; 3) panic disorder; 4) obsessive-compulsive disorder; 5) major depressive disorder; 6) anxiety disorders; 7) mood disorders; 8) Any condition or disorder involving mental illness, excluding alcohol and substance abuse, that falls under any of the diagnostic categories listed in the mental disorders section of the International Classification of Disease, as periodically revised.

B) **NAIC Mental Illness Treatment tally.** The National Association of Insurance Commissioners lists 46 states with mandated requirements, not mentioning AK, AZ, MI and WY, as of February 2008.

C) Examples of "Barebones" exception laws:

Colorado H 1164
Texas S 541 of 2003
Montana H 384of 2003

of 2003 allows small employers to purchase a basic health benefit plan that does not include mental health and substance abuse treatment mandates. allows insurers and HMOs to offer policies without mandates for the treatment of mental illness and chemical dependency, with an exception for serious mental illnesses if the plan is issued to a large employer. An insurer that offers such policy must also offer at least one policy with state-mandated health benefits. allows for a 12-month demonstration project that in some cases, permits a limited coverage plan or managed care plan without mandates for mental illness

Federal Parity Amendment
In 1996 a federal parity amendment was signed into law as part of the VA-HUD appropriations bill. The law, otherwise

known as the Mental Health Parity Act of 1996 (Public Law 104-204, see text online), prohibits group health plans that offer mental health benefits from imposing more restrictive annual or lifetime limits on spending for mental illness than are imposed on coverage of physical illnesses. This law expired on September 30, 2001 due to a "sunset" provision, but was extended through December 31, 2002 when President Bush signed Public Law 107-116. The Mental Health Parity Act of 1996 offers limited parity for the treatment of mental health disorders. The statute does not require insurers to offer mental health benefits, but states that if mental health coverage is offered, the benefits must be equal to the annual or lifetime limits offered for physical health care. It also does not apply to substance use disorders, and businesses with fewer than 26 employees are exempt..

On October 30, 2001 the U.S. Senate passed a broader parity bill, which was sent to the House. On December 18, in a House-Senate negotiating meeting, the House members rejected the Senate bill by a 10n-7y vote. The *New York Times* reported that sponsors Senators Domenici and Wellstone "said they wanted to requires health plans and insurance companies to provide equivalent coverage, or parity for mental and physical illness. House Republicans, employers and insurance companies objected to the proposal, saying it would increase costs for employers in a recession, when many businesses are already cutting health benefits because of a resurgence in medical inflation."[6]

9-11: Terrorism Impacts on Mental Health

The events of September 11, 2001 and related bio-terrorism scares had a profound effect on Americans in every part of the United States. In 2003, the war with Iraq brought the potential for new psychological and mental health concerns, according to the American Psychological Association. Yet the issues raised have been a part of health policy for more than two decades.

The nation, through the actions of federal, state and local governments, and citizens in innumerable roles, united and moved forward. However, the medical traumatic effects of those events impacted many people, for months or even years. *USA Today* reported it this way: "The terrorist strikes and their devastating aftermath are triggering the largest mental health challenge ever faced by employers and straining the USA's army of grief counselors, not just at the attack sites but in workplaces across the country. The emotional fallout was expected to be so widespread that some health insurers are loosening restrictions on employees' use of mental health services." [1] The impact could be far larger than the numbers directly affected. For example, just in Arlington County, Virginia, "some 20,000 to 40,000 of the county's 200,000 residents could experience a traumatic stress reaction from the attacks, officials estimate, pointing to an earlier Surgeon General's report on mental health and disasters." [2]

Mental Health Benefits and Hurricane Katrina Victims

The widespread harm inflicted by Hurricane Katrina includes health impacts and longer-term mental and emotional harm. People who are displaced, injured, have lost loved ones, homes, property, belongings, jobs, family stability, pets, and those with friends, relatives or coworkers affected, may need or seek counseling and medical help. Some, but not all, of the varying state health insurance mandate laws may require coverage of either emergency or longer-term mental health services.

The list below is a general survey of these laws. It provides a quick comparison among states, but it is not intended as a consumer guide to services, since coverage varies even further based on employer and individual contracts, including services offered above or beyond the minimum required by state law. Also public programs including Medicaid, Medicare, local health departments have separate standards of coverage - sometimes more extensive -- than private market health policies.

Expert Sources and Reports

1. U.S. General Accounting Office, *"Mental Health Parity Act: Despite Federal Standards, Mental Health Benefits Remain Limited"* GAO/HEHS-00-95 (Washington, D.C., May 2000) [includes state charts]
2. U.S. General Accounting Office, "*Health Insurance Regulation: Varying State Requirements Affect Cost of Insurance*, GAO/HEHS-96-161 (Washington, D.C: August 1996).
3. U.S. Department of Health and Human Services, Public Health Service, "The Costs and Effects of Parity for Mental Health" (Merrille Sing, Mathematica, 2001)
4. National Center for Policy Analysis, *An Easy Way to Make Health Insurance More Expensive,* February 21, 1997. (Obtained from http://www.ncpa.org/pub/ba/pdf/ba224.pdf; Internet.)
5. Gail A. Jensen and Dr. Michael A. Morrisey, *Mandated Benefit Laws and Employer- Sponsored Health Insurance,* (Health Insurance Association of America: January 1999).
6. "*Drive for More Mental Health Coverage Fails in Congress*", New York Times, December 18, 2001.

For related news stories and resources see:

"Hurricane Katrina Survivors Lack Access to Mental Health Services" The majority of Hurricane Katrina survivors who developed mental disorders after the disaster are not receiving the mental health services they need, and many who were receiving mental health care prior to the hurricane were not able to continue with treatment, according to an NIMH-funded study published online in the American Journal of Psychiatry. National Institutes of Health (NIH) 12/17/07.

"TWO MORE STATES ENACT PARITY LAWS," State Health Notes, 1/22/07

Resilience in the Time of War - articles by American Psychological Association (APA) including tips for assisting children and adults. - March 2003.

Communities Gear Up for Long-Term Effects of Disaster - Health Intelligence Network- October 8, 2001 [2]

Psychiatric Dimensions of Disaster a resource list by The American Psychiatric Association, Sept. 2001

Resources for Responding to Trauma and Terrorism - web page by the National Assoc. Mental Illness

Disaster Mental Health: Dealing with the Aftereffects of Terrorism - resources from the National Center for Post Traumatic Stress Disorder (PTSD)

What are the Traumatic Stress Effects of Terrorism? - fact sheet from NCPTSD, September 2001

Recommendations for Pharmaceutical Treatment of Acute Stress Reactions - Sept. 26. 2001

HHS Makes $35 M in Emergency Funds Available to Entities that Suffered Losses from September Attacks - competitive grants for public and not-for-profit health entities. These grants target NY, CT, NJ, VA, PA and D.C. - news release October 9, 2001

Nation in shock seeks counseling, consoling - USA Today, September 20, 2001 [1]

Public Health Preparedness - web updates from CDC, August 2002

Mental Health menu page - NCSL resources, updated regularly, 2004

Mental Health Parity: A State Lawmaker's Digest, NCSL, 2001

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