



Testimony before the
Health and Human Services Committee:
"Health insurance coverage for mental health"

Presented by:
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Good afternoon Representatives Oliver, Kenney and Wheatley, committee members and staff. My name is Joel Ario, and I am the Pennsylvania Insurance Commissioner. I'm pleased to be here this afternoon to provide some information to you about mental health parity in the group insurance market here in Pennsylvania and some insight into what is happening around the country.

Pennsylvania's Mental Health Coverage

Pennsylvania's group health insurance plans which cover 50 or more employees must provide limited coverage for the treatment serious mental illness (SMI).

- A SMI is defined as “mental illnesses as defined by the American Psychiatric Association in the most recent edition of the Diagnostic and Statistical Manual including:
 - Schizophrenia, bipolar disorder, obsessive-compulsive disorder, major depressive disorder, panic disorder, anorexia nervosa, bulimia nervosa, schizo-affective disorder and delusional disorder.”
- Coverage must include thirty (30) inpatient and sixty (60) outpatient days annually.
- The coverage may be made subject to provisions of the policy that apply to other benefits under the policy, including provisions relating to deductibles and coinsurance however those provisions may not limit access to care.
- All other mental, nervous, or emotional disorders may be excluded from coverage.
- Health insurance companies are permitted to exclude coverage for all mental, nervous, or emotional disorders in small group and individual health insurance plans.

Other States Mental Health Coverage

- 43 states and the District of Columbia have enacted legislation addressing health insurance coverage for mental, nervous, or emotional disorders.
- 18 states have additional laws requiring insurance coverage for the treatment of autism spectrum disorders.
- 47 states have additional laws addressing insurance coverage for developmental delays.

Comprehensive or full mental health parity

- 7 states have full or comprehensive mental health parity laws which require not only that health insurance policies include coverage for mental illness, but that those treatments of be on parity with coverage for other medical disorder

Serious Mental Illness

- 20 states require some level of health insurance coverage for SMI with varying exceptions including benefit management, limitation on inpatient and outpatient visits, different deductibles, co-payments and coinsurance, limited maximum lifetime benefits for mental disorders, and parity for co-occurring mental illnesses.
 - California's parity law is more stringent than other states with SMI coverage. California requires that SMI be covered on an equal basis with all covered physical illnesses. The terms and conditions of any medical plan, both group and individual, must be applied equally to all diagnoses under the plan contract, including deductibles, co-payments, and lifetime benefits. There is no small business exception or cost increase cap in California.

- Some states provide an exemption for small business with up to 50 employees.
- Maine exempts all small business with 20 and fewer employees. Maine also allows carriers to limit inpatient care to 60 days per calendar year and outpatient care to \$2,000 per year with a maximum lifetime benefit of at least \$100,000 for costs associated with a mental disorder. Maine does not require coverage for the treatment of alcoholism or drug dependence.

Limited Mental Health Coverage Requirements

- Currently, 16 states and the District of Columbia require at least some limited coverage for mental illness.
- Some states provide a 1-3% cost increase cap for groups whereby a group may request an exemption if the cost to implement the statutory requirements greater than cap.

Federal Mental Health Parity

The federal Mental Health Parity Act of 1996 (P.L. 104-204), eliminated annual and lifetime dollar limits for mental healthcare for companies with more than 50 employees but does not require health plans to offer coverage for mental, nervous, or emotional disorders. Day and visit limits as well as higher co-payments and deductible may still be applied to coverage if offered.

The Mental Health Parity Act reintroduced as the Paul Wellstone Mental Health Parity and Addiction Equity Act. That bill would require employers with more than 50 employees to provide comprehensive mental health and substance-use parity for mental health treatments and addiction services. In March 2008, the House of Representatives passed the Wellstone Act. The Senate and House have been working on the difference in the two bills since the House passed its version.

Thank you for this opportunity to testify. I would be happy to answer any questions.