

## Mental health parity bill becomes law.

The [New York Times](#) (10/6, A13, Pear) reports, "More than one-third of all Americans will soon receive better insurance coverage for mental-health treatments because of a new law that, for the first time, requires equal coverage of mental and physical illnesses." This "requirement, included in the economic bailout bill that President Bush signed on Friday, is the result of 12 years of passionate advocacy by friends and relatives of people with mental illness and addiction disorders. They described the new law as a milestone in the quest for civil rights, an effort to end insurance discrimination, and to reduce the stigma of mental illness." At present, "most employers and group health plans provide less coverage for mental healthcare than for the treatment of physical conditions like cancer, heart disease, or broken bones. They will need to adjust their benefits to comply with the new law, which requires equivalence, or parity, in the coverage."

According to [USA Today](#) (10/4, Elias), the legislation "will provide parity in insurance benefits for 113 million Americans. Employers with 50 workers or less are exempted." In addition, the measure "would bar insurance plans from setting higher co-pays or deductibles for mental health or substance abuse treatment than for medical care. Lower benefit limits also would be illegal, along with caps on the number of outpatient therapy sessions or inpatient treatment days." Notably, "employees also would have to be covered for out-of-network mental-healthcare if their plan includes out-of-network medical coverage."

The bill is named for Sen. Pete Domenici (R-N.M.), who began work on the bill over a decade ago "after his daughter Clare...was diagnosed with schizophrenia," the [Wall Street Journal](#) (10/4, Lueck) added. The Journal noted that the bill "stalled for years largely because of opposition from Republicans who controlled the House."

The [AP](#) (10/4, Freking) pointed out that "employers and insurers were concerned that legislation would have required plans to cover a 'telephone book' of conditions, raising costs beyond what companies and their workers could afford, and potentially negating companies' ability to offer any health coverage at all." But, this bill "does not mandate that group health plans cover mental health or addiction treatment, only that when plans do so, the coverage must be equitable to other medical coverage. The insurance industry is now a strong supporter of the parity legislation."

Previously, "the House and Senate...disagreed about how to cover the cost to the federal government of the expanded benefit, estimated at \$3.4 billion over five years by the Congressional Budget Office in 2007," [Bloomberg News](#) (10/4, Marcus) reported. This "estimate is related to tax revenue that would be lost because employers would pay more for health insurance premiums, to cover the expanded benefits, instead of turning over some of this money as taxable wages to employees."

Mental-health advocates praised the legislation, saying that the new law will help the estimated "67 percent of adults and 80 percent of children requiring mental-health services [who] do not receive help, in large part because of discriminatory insurance practices," the [Boston Globe](#) (10/4, Bender) noted.

The [Houston Chronicle](#) (10/4, Ackerman), the [Chicago Tribune's](#) (10/3, Graham) Triage blog, and [Modern Healthcare](#) (10/4, DoBias) also covered the story.