FREQUENTLY ASKED QUESTIONS
Federal Mental Health Parity and Addiction Equity Act (MHPAEA)

Federal Mental Health Parity Law Affects Some Employers

New federal legislation, H.R. 1424, the “Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008” (MHPAEA), takes effect for large group health plans (51+ employees) as their plans renew on or after October 4, 2009. Employers with 50 or fewer employees are exempt from the federal law. Self-funded and Idaho large group plans that do not provide any benefits for mental health and/or substances abuse benefits are not required to add them to their benefit plan.

General Questions

What plans are impacted by this legislation?

- **Oregon and Idaho small groups (50 or fewer employees) and individual plans** are not affected.

- **Oregon large insured groups (51+ employees):** The federal legislation is very similar to current Oregon mental health parity. One difference is that the current residential treatment limit of 45 days per calendar year will be removed from large group health plans. We will administer that difference through our preauthorization and case management processes, and issue an endorsement at renewal that reflects the appropriate change in policy language. Oregon large groups, other than self-funded groups, are required to offer mental health and/or substance abuse benefits.

- **Idaho large insured groups (51+ employees):**Existing Idaho large group plans that cover mental health and/or substance abuse treatment must comply with the changes in federal law as they renew on or after October 4, 2009. We will issue an endorsement at renewal to any large group plan that chooses to cover mental health and/or substance abuse treatment to keep these plans in compliance. Neither the new federal or Idaho state law requires group health plans to cover mental health and substance abuse treatment.

- **Oregon and Idaho large self-funded groups:** Self-funded plans that choose to cover mental health and/or substance abuse treatment must comply with the federal law effective with their new plan year beginning on or after October 4, 2009. The new federal law does not require group health plans to cover mental health and substance abuse treatment.

When do the new federal mental health parity regulations go into effect?
The new mental health parity regulations become effective for large group health plans (51 + employees) as of the policy renewal date on or after October 4, 2009. If a member’s group health plan covers mental health treatment, substance abuse treatment, or both, the member will continue to have their current benefits until their plan renews on or after October 4, 2009.

What does the law require?
The law, applicable to employers of 51 or more employees, requires that coverage (defined by elements such as financial requirements; treatment limitations, and out-of-network access) be “no more restrictive” for mental health and substance use disorders than for the medical coverage defined by those same elements. In other words, benefits for chemical dependency and mental or nervous conditions may not have copayments, coinsurance, deductibles, maximum out-of-pocket limits, or out-of-network access limitations that are greater or more restrictive than those applied to medical and surgical benefits.

Mental health parity applies to medically necessary mental health and substance abuse treatment:
- inpatient and outpatient treatment
- residential treatment

Does the Federal Mental Health Parity Act define covered diagnoses?
The federal mental health parity act does not define covered diagnoses, nor does it require plans to cover all of the Diagnostic and Statistical Manual of Mental Disorders/DSM-IV-TR diagnoses. Covered diagnoses are determined by the member contract.

Does the Federal Mental Health Parity Act limit medical management?
Health plans are not restricted from applying utilization review and medical necessity determinations consistent with medical necessity reviews for all types of care.

Who can I contact if my question is not addressed here?
If you have additional questions about the MHPAEA, you are welcome to contact your PacificSource Representative or (800) 624-6052.

Oregon Large Insured Groups (51+ employees)

How does this federal law differ from Oregon law?
Although the federal legislation does not require coverage of chemical dependency and mental health conditions, Oregon state law does for insured group health plans. As insured large employer plans in Oregon are required to provide coverage of mental health and chemical dependency treatment, the federal parity law will also apply. The two laws (state and federal) are very similar. However, the federal law will require that the one limitation allowed under Oregon law (45-day per calendar year limitation on residential treatment) be eliminated from large employer plans.

Is a referral or preauthorization needed for behavioral health care?
- Members may self refer to eligible providers for their behavioral healthcare needs.
• Preauthorization and concurrent review is **required** for *inpatient, residential, partial hospitalization*, and *intensive outpatient* mental health and chemical dependency treatment.
• Outpatient mental health and chemical dependency services do not require preauthorization. For members with significant care needs, concurrent review for medical necessity may be conducted, and a treatment plan may be requested from the treating provider to determine on-going care needs.

**Idaho Large Insured Groups (51+ employees)**

**Does the MHPAEA require that an Idaho large group’s health plan cover mental health or substance abuse treatment?**
No. An Idaho large group is not required to cover treatment for mental health or substance abuse under its health plan. However, if the health plan does cover mental health treatment, substance abuse treatment, or both, then it must comply with the federal regulations.

**Is a referral or preauthorization needed for behavioral health care?**
• Members may self refer to eligible providers for their behavioral healthcare needs.
• As with all medical treatment, mental health and chemical dependency treatment is subject to review for medical necessity and/or appropriateness. Review of treatment may involve pre-service review, concurrent review of the continuation of treatment, post-treatment review, or a combination of these. PacificSource will notify the patient and patient’s provider when a treatment review is necessary to make a determination of medical necessity.

**Oregon and Idaho Large Self-funded Groups**

**Does the MHPAEA require that a self-funded group’s health plan cover mental health or substance abuse treatment?**
No. A self-funded group is not required to cover treatment for mental health or substance abuse under its health plan. However, if the health plan does cover mental health treatment, substance abuse treatment, or both, then it must comply with the federal regulations.

**How does the MHPAEA affect self-funded groups?**
Large self-funded plans that choose to cover mental health and/or substance abuse treatment must comply with the federal law effective with their new plan year beginning on or after October 4, 2009. Large self-funded plans that do not provide any benefits for mental health and/or substances abuse benefits are not required to add them to their benefit plan.