



## Closing the Mental Health and Substance Abuse Insurance Parity Gap

**Federal parity does not provide protections to over 700,000 Wisconsin residents.**

The *Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008, P.L. 110-343* (the *Wellstone-Domenici Act*) became law on Oct. 3, 2008. It applies to most group health plans for plan years beginning on Oct. 3, 2009, or, in the case of a group health plan that is part of a collective bargaining agreement, by no later than Jan. 1, 2010.



This federal law applies to group health plans offered by employers of 51 or more employees. It does not mandate that such businesses provide mental health and substance abuse coverage as part of their group health plan coverage. However, if a plan does provide either mental health or substance abuse coverage, then the treatment limitations and financial requirements of such coverage must be no more restrictive than those applied to the plan's medical and surgical coverage. This is known as "parity."

Small employers with 50 or fewer employees and individual health plans are exempt from the Act's provisions. For more than 700,000<sup>1</sup> Wisconsin residents, the *Wellstone-Domenici Act* offers no protection.

The *Wellstone-Domenici Act* will improve insurance coverage and treatment for many people facing mental health and substance abuse issues. Yet, many others whose lives are disrupted by addiction and mental health challenges remain without adequate insurance coverage. In too many cases, those in need forego treatment simply because they are unable to afford it.

**The *Wisconsin Mental Health and Substance Abuse Parity Act, SB-362/AB-512*, will address this gap in the federal law.**

The *Wisconsin Mental Health and Substance Abuse Parity Act* closes part of the mental health and substance abuse insurance parity gap. It requires most group health plans—typically purchased by smaller employers not covered by the *Wellstone-Domenici Act*—to provide mental health and substance abuse disorder benefits at parity.

While such coverage is not required for individual plans, if mental health and substance abuse benefits are included in the individual plan coverage, then the treatment limitations and financial requirements applicable to this coverage must be at parity.

<sup>1</sup> Agency for Healthcare Research and Quality, Center for Financing, Access and Cost Trends. 2008 Medical Expenditure Panel Survey-Insurance Component, 2008.