

# THE WALL STREET JOURNAL SUNDAY

HEALTH COSTS | *By Jilian Mincer*

## Mental-Health Benefits

Millions of Americans are now eligible for improved employer-provided mental-health and substance-abuse insurance coverage.

Legislation was passed in 2008 and went into effect in October 2009. But the new coverage wasn't available in most health-insurance plans until new policies went into effect Jan. 1.

Now, employers are adjusting those plans to bring them into compliance with more specific rules issued late last month.

### No 'Significant Barriers'

The law, called the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008, ensures that employees receive the same level of mental-health benefits as they do for medical and surgical care. It bans a plan from using deductibles for the treatment of mental-health disorders or substance abuse that are different from ones for medical and surgical care. And there can no longer be limits on treatment if no limits on medical and surgical care are in place as well.

"This permits people to receive mental-health and substance-abuse services without significant barriers," says Kathleen Mahieu, senior behavioral health consultant for Hewitt Associates.

Hewitt estimates that the additional costs to employers would be less than 1.5% annually.

The Congressional Budget Office estimated that the cost of the legislation would be \$3 billion in 2012. Premiums on existing plans would increase by 0.4% with the newly covered services.

Most employers that offer a health plan have mental-health coverage—99% of large companies and 95% of small companies—according to the Kaiser Family Foundation, a nonprofit that focuses on health-care issues.

The law doesn't apply to

companies with fewer than 50 workers. And it doesn't weaken stricter requirements in some of the more than 20 state parity laws.

Before the law took effect, employer-provided plans that included mental-health and substance-abuse coverage could set annual or lifetime dollar limits on mental-health care that were lower than limits on other care. They also could set different limits for copay amounts, the number of visits and the length of hospital stays.

Covered office sessions were typically limited to 30 per year and hospital stays often were limited to 20 days. Some plans required consumers to pay 50% of the mental-health costs, even for in-network providers, but only 20% of the cost of medical and surgical care.

### Companies Onboard

The law doesn't require plans to provide mental-health and substance-abuse coverage and it doesn't ban plans from dropping coverage because of the new requirements. But, so far, it appears that companies plan to keep the benefit, says Ms. Mahieu.

One reason may be the growing awareness of the cost that untreated mental illness and substance abuse can have on a company's bottom line. "Mental illness is one of the most costly for employers because if untreated it could significantly affect productivity," says Philip S. Wang, deputy director of the National Institute of Mental Health.

Many hope the legislation will encourage more people to receive treatment they may have avoided because of the high out-of-pocket expenses, stigma and lack of a diagnosis, says Pamela S. Hyde, administrator for the Substance Abuse and Mental Health Services Administration.

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