

NBC13 - Birmingham

New rule demands parity for mental health coverage

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(AP Photo/David Tulis)



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WASHINGTON (AP) - It's final: Health insurance companies must cover mental illness and substance abuse just as they cover physical diseases.

The Obama administration issued new regulations Friday that spell out how a 5-year-old mental health parity law will be administered.

Health and Human Services Secretary Kathleen Sebelius said the rule should put an end to discrimination faced by some mental health patients through higher out-of-pocket costs or stricter limits on hospital stays or visits to the doctor.

The law, signed by President George W. Bush, was designed to prevent that. But mental health advocates said health insurers at times sidestepped lawmakers' intentions by delaying requests for care and putting in place other bureaucratic hurdles. They described the new Obama administration rule as necessary to ensure patients get benefits they are entitled to receive.

The administration had pledged to issue a final mental health parity rule as part of an effort to reduce gun violence. Officials said they have now completed or made significant progress on 23 executive actions that were part of a plan announced in response to the school massacre in Newtown, Conn., last December.

The 2008 mental health parity law affects large group plans. It does not require they offer mental health coverage, but if they do, that coverage must be equal to what is provided for patients with physical illnesses. Meanwhile, the Affordable Care Act extends the parity protections for those participating in individual and small group health insurance plans.

"For way too long, the health care system has openly discriminated against Americans with behavioral health problems," Sebelius said in a telephone conference call with reporters. "We are finally closing these gaps in coverage."

Sebelius said that access to mental health coverage had already been improving since passage of the 2008 mental health parity law. She noted that larger employer health insurance plans have eliminated higher cost-sharing for inpatient mental health care and said most plans have done the same for outpatient care.

HHS officials said mental health services generally amount to only about 5 percent of a large group insurance plan's spending, so there should be limited impact on premiums. They said the small group and individual plans being made available through health insurance exchanges already reflect the parity requirements.

Health insurers said the final rule doesn't really change the landscape they've been operating in since interim rules were released in 2010. Karen Ignagni, president and CEO of American's Health Insurance Plans, said health plans have long supported the legislation and have worked to implement its requirements in an affordable and effective way for patients.

The group said it doesn't have cost estimates for compliance with the regulation.

The National Alliance on Mental Illness called the parity regulations the crowning achievement of a 20-year campaign, but also said that the regulations don't cover managed care plans through Medicaid or the State Children's Health Insurance Program, excluding about 15 percent of Americans covered by health insurance.

"Some of our most vulnerable people are still being left behind," said Michael Fitzpatrick, the group's executive director.

Gil Kerlikowske, director of the National Drug Control Policy Office at the White House, said the rule builds on the need to treat drug problems as a public health issue and not just as a criminal justice issue. He said about 23 million Americans have a substance abuse disorder, but only about 1 in 10 gets the treatment they need.

"Access to drug treatment shouldn't be a privilege to a few who can afford it. It should be provided to everyone who needs it," Kerlikowske said.

Lawmakers instrumental in passing the health parity law had grown impatient with how long it was taking to fully implement it.

"While I am clearly frustrated that this wasn't done sooner, I understand that they had a lot of other things on their plate," said former Rep. Patrick Kennedy, D-R.I., adding that it would be ungrateful not to take into account progress made on other fronts through the health care overhaul.

Kennedy went public about his own struggle with addiction after crashing his car into a barricade near the Capitol in 2006; he was diagnosed with bipolar disorder after winning election to Congress in 1994.

"Ending insurance discrimination against pre-existing conditions is the single biggest mental health bill we could get," Kennedy said.

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Associated Press writer Josh Lederman contributed to this report.

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