

Mental Health Parity Rules Begin July 1

The Final Rules (the Rules) implementing the Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) will begin to apply on the first day of the plan year that starts on or after July 1, 2014. For example, if the plan runs on a calendar year basis, the effective date will be Jan. 1, 2015.

Parity requirements must be applied classification by classification to medical/surgical and mental health and substance use disorder (MH/SUD) benefits.

The Rules establish limits around financial requirements and treatment limitations in the following manner:

- Financial requirements/quantitative treatment limits. Plans that cover benefits for mental health and substance use disorder benefits may not apply financial requirements (deductibles, coinsurance, copays, out of pocket maximums, etc.) or treatment limits (day or visit limits, etc.) to those benefits that are more restrictive than those that apply to the plan's medical/surgical benefits.

What Has Changed

Under Mental Health Parity testing, behavioral health service classifications are aligned with medical-surgical classifications which have been tested to establish financial parity with the cost share type and cost share level.

Beginning July 1, 2014, the way that intermediate behavioral health services (Intensive Outpatient and Partial Hospitalization) align has changed, which will mean most plans will undergo financial testing for parity. For fully insured plans the testing will be conducted by the insurance carrier. Self-funded plans will receive notification about testing from the plan provider.

Rules for the Small Group

MHPAEA retains the exemption for ASO small group plans 2-50. However, by virtue of the ACA regulations all non-grandfathered ACA compliant plans with 2-50 employees are required to offer MH/SHB benefits and will therefore be subject to Mental Health Parity. Carriers are reviewing their plan designs and updating as necessary to comply with the Final Rules.