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## **Administration issues final mental health and substance use disorder parity rule**

*Final rules break down financial barriers and provide consumer protections*

The Departments of Health and Human Services, Labor and the Treasury today jointly issued a final rule increasing parity between mental health/substance use disorder benefits and medical/surgical benefits in group and individual health plans.

The final rule issued today implements the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act, and ensures that health plans features like co-pays, deductibles and visit limits are generally not more restrictive for mental health/substance abuse disorders benefits than they are for medical/surgical benefits.

Today's action also includes specific additional consumer protections, such as:

- Ensuring that parity applies to intermediate levels of care received in residential treatment or intensive outpatient settings;
- Clarifying the scope of the transparency required by health plans, including the disclosure rights of plan participants, to ensure compliance with the law;
- Clarifying that parity applies to all plan standards, including geographic limits, facility-type limits and network adequacy; and
- Eliminating the provision that allowed insurance companies to make an exception to parity requirements for certain benefits based on "clinically appropriate standards of care," which clinical experts advised was not necessary and which is confusing and open to potential abuse.

By issuing this rule, the administration has now completed or made significant progress on all 23 executive actions included in the President and Vice President's plan to reduce gun violence. An updated report summarizing the status of all 23 executive actions is available here:

[http://www.whitehouse.gov/sites/default/files/docs/november\\_exec\\_actions\\_progress\\_report\\_final.pdf](http://www.whitehouse.gov/sites/default/files/docs/november_exec_actions_progress_report_final.pdf).

In January, as part of the President and Vice President's plan to reduce gun violence, the Administration committed to finalize this rule as part of a larger effort to increase access to affordable mental health services and reduce the misinformation associated with mental illness. As the President and Vice President have made clear, mental illness should no longer be treated by our society – or covered by insurance companies – differently from other illnesses.

The Affordable Care Act builds on the Mental Health Parity and Addiction Equity Act and requires coverage of mental health and substance use disorder services as one of ten essential health benefits categories. Under the essential health benefits rule, individual and small group health plans are required to comply with these parity regulations.

“This final rule breaks down barriers that stand in the way of treatment and recovery services for millions of Americans,” said Health and Human Services Secretary Kathleen Sebelius. “Building on these rules, the Affordable Care Act is expanding mental health and substance use disorder benefits and parity protections to 62 million Americans. This historic expansion will help make treatment more affordable and accessible.”

“Americans deserve access to coverage for mental health and substance use disorders that is on par with medical and surgical care,” said Treasury Secretary Jacob J. Lew. “These rules mark an important step in ending the disparities that exist in insurance plans, and will provide families nationwide with critical coverage and protections that fulfill their health needs.”

“New efforts are underway to expand coverage to the millions of Americans who have lacked access to affordable treatment for mental and substance use disorders,” said Labor Secretary Thomas E. Perez. “These rules will increase access to mental health and substance abuse treatment, prohibit discriminatory practices, and increase health plan transparency. Ultimately, they’ll provide greater opportunities for affordable, accessible, effective treatment to Americans who need it.”

The final Mental Health Parity and Addiction Equity Act rule was developed based on the departments' review of more than 5,400 public comments on the interim final rules issued in 2010.

The final rules may be viewed at <https://s3.amazonaws.com/public-inspection.federalregister.gov/2013-27086.pdf>.

A fact sheet on the rules is available here: [http://cms.hhs.gov/CCIIO/Programs-and-Initiatives/Other-Insurance-Protections/mhpaea\\_factsheet.html](http://cms.hhs.gov/CCIIO/Programs-and-Initiatives/Other-Insurance-Protections/mhpaea_factsheet.html).

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Key changes made by MHPAEA, which is generally effective for plan years beginning after October 3, 2009, include the following:

- If a group health plan includes medical/surgical benefits and MH/SUD benefits, the financial requirements (e.g., deductibles and co-payments) and treatment limitations (e.g., number of visits or days of coverage) that apply to MH/SUD benefits must be no more restrictive than the predominant financial requirements or treatment limitations that apply to substantially all medical/surgical benefits (this is referred to as the “substantially all/predominant test”). This test is discussed in greater detail in the MHPAEA.
- MH/SUD benefits may not be subject to any separate cost-sharing requirements or treatment limitations that only apply to such benefits;
- If a group health plan includes medical/surgical benefits and MH/SUD benefits, and the plan provides for out-of-network medical/surgical benefits, it must provide for out-of-network MH/SUD benefits; and
- Standards for medical necessity determinations and reasons for any denial of benefits relating to MH/SUD benefits must be disclosed upon request.