

## **Federal Mental Health Parity Act**

### **Frequently Asked Questions**

- 1. What group size is impacted by the Mental Health Parity Act?**  
Employers with 51 or more employees (as defined by the federal government) are subject to the legislation. Group size is based on the total number of employees, not the number covered under the employer's plan.
- 2. What are the effects on plan designs for groups affected by this legislation?**  
Humana plans, groups with 51 or more employees, will provide coverage for mental health and substance abuse benefits and not limit the financial requirements (deductibles, copayments, coinsurance, out of pocket expenses, annual and life time limits) and treatment limits (frequency, days of coverage, visits, or other limits on scope or duration of treatment) will not be more restrictive than the predominant financial requirements or treatment limits applied to medical and surgical benefits.
- 3. What are the effects on employer group rates?**

  - 51-99 case size groups will be calculated in their experience rating at their next renewal.
  - 100+ case size groups will have a minimal charge added initially. The groups following renewal will include the actual cost used for experience rating.
  - Administrative Service Only group's administration fees will not increase with the exception of vendor carve outs.
- 4. How can Humana help employer groups control costs?**

LifeSynch, Humana's behavioral and behavior change subsidiary focuses on reducing healthcare costs through specialized behavioral health services. Employers are assisted by managing the reduction of unnecessary behavioral healthcare expenses.
- 5. Does the Mental Health Parity Act require plans to cover mental health and substance use disorders?**  
No, the Mental Health Parity Act does not mandate coverage of mental health or substance use disorder benefits.
- 6. Are self-insured (ASO) groups included?**  
Yes, self-funded groups are subject to the Mental Health Parity requirements.
- 7. Does the Mental Health Parity Act prevent the application of state law?**  
Existing state mental health laws that prevent the application of the new federal requirements are preempted and no longer apply. State laws that do not prevent the application of the federal requirements are not preempted and continue to apply.

**8. How does this impact current 51+ groups?**

This legislation impacts all 51+ groups renewing on or after November 1, 2009. The mental health and substance abuse benefits will be revised to comply with this new legislation upon renewal. For example, if a 51+ group renewed on May 1, 2009, their mental health and substance abuse benefits **would not** change until their renewal on May 1, 2010.