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TO: The Honorable Thomas “Mac” Middleton, Chairman
Members, Senate Finance Committee
The Honorable Delores Kelley

FROM: Joseph A. Schwartz, III
Pamela Metz Kasemeyer
J. Steven Wise

DATE: February 27, 2013

RE: **SUPPORT** – Senate Bill 581 – *Health Insurance – Federal Mental Health Parity and Addiction Equity Act – Consumer Bill of Rights*
SUPPORT – Senate Bill 582 – *Health Insurance – Federal Mental Health Parity and Addiction Equity Act – Utilization Review Criteria and Standards*
SUPPORT – Senate Bill 585 – *Health Insurance – Federal and State Mental Health and Addiction Parity Laws – Report on Compliance*

The Maryland State Medical Society (MedChi), which represents over 7,500 Maryland physicians and their patients, supports Senate Bill 581, Senate Bill 582 and Senate Bill 585.

These three bills are, MedChi believes, critical to the proper enforcement of the Federal Mental Health Parity and Addictions Equity Act (the Parity Law). Enacted in 2008, the Parity Law applies to group health insurance plans of more of 50 insured employers that offer coverage for mental illness and substance abuse. By virtue of the Federal Affordable Care Act, the Parity Law will also apply to small groups (2-50) and individual policies as of January 1, 2014. Hence, all policies will be covered by the Parity Law by January 1, 2014. The Parity Law specifies that the limitations on the mental illness and substance abuse disorders may be no more restrictive than that applied to other medical and surgical procedures.

Senate Bill 581 would require insurance carriers to advise their enrollees of the existence of the Parity Law and information about the law.

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Senate Bill 582 requires private review agents, which are regulated by the Maryland Insurance Administration (MIA), to use the criteria standards complying with the Parity Law.

Senate Bill 585 requires insurance companies to submit to the MIA in 2015 and, annually thereafter, description of covered and excluded mental health and substance abuse disorder benefits and the standards the carrier uses to define and classify same. It further requires the carrier to detail its compliance with Parity Law by publication of relative cost data, non-quantitative treatment limitations, clinical guidelines, formulary rules for the coverage of medications and the like.

These three bills will allow both consumers and the MIA to have relevant information so that the Parity Law can be appropriately enforced. The proper delivery of mental health services is critical. For example, as we consider the question of firearms violence, is there any doubt that mental health services are urgently required? These three bills will provide the “teeth” necessary to effectuate the Parity Law. MedChi urges a favorable report on all three bills.

For more information call:

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