

MedChi

The Maryland State Medical Society

1211 Cathedral Street
Baltimore, MD 21201-5516
410.539.0872
Fax: 410.547.0915

1.800.492.1056

www.medchi.org

TO: The Honorable Peter A. Hammen, Chairman
Members, House Health & Government Operations Committee
The Honorable Ariana Kelly

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

DATE: February 28, 2013

RE: **SUPPORT** – House Bill 1001 – *Health Insurance – Federal and State Mental Health and Addiction Parity Laws – Report on Compliance*
SUPPORT – House Bill 1216 – *Health Insurance – Federal Mental Health Parity and Addiction Equity Act – Consumer Bill of Rights*
SUPPORT – House Bill 1252 – *Health Insurance – Federal Mental Health Parity and Addiction Equity Act – Utilization Review Criteria and Standards*

The Maryland State Medical Society (MedChi), which represents over 7,500 Maryland physicians and their patients, supports with amendments House Bill 1001, House Bill 1216 and House Bill 1252.

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.

House Bill 1001 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.

The Honorable Peter A. Hammen, Chairman
House Bill 1001
House Bill 1216
House Bill 1252
Page Two

House Bill 1216 would require insurance carriers to advise their enrollees of the existence of the Parity Law and information about the law.

House Bill 1252 requires private review agents, which are regulated by the Maryland Insurance Administration (MIA), to use the criteria standards complying with the Parity Law.

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:

Joseph A. Schwartz, III
Pamela Metz Kasemeyer
J. Steven Wise
410-244-7000