

Governor Signs Mental Health Parity Bill

On March 10, 2005, Governor Christine Gregoire signed into law SHB 1154, otherwise known as the Mental Health Parity Act. This bill is an update to the current Mental Health Parity Act and requires insurance plans for groups over 50 employees to treat mental illness the same as a physical illness/medical condition. The law excludes self-funded plans, small groups (2-50) and individual insurance plans from compliance.

The law requires health insurance plans to treat conditions of the body and mind the same. A health benefit plan that provides coverage for medical and surgical services must provide the same coverage for mental health services and prescription drugs to treat mental disorders. For example, if the co-payment for a blood pressure medication is \$20, the co-payment for anti-depressants medications must be \$20. Along with co-payments; deductibles, out-of-pocket maximums and treatment/visit limits must be the same for mental and physical conditions.

At least 33 other states have a similar version of the Washington State Mental Health Parity Act. Mental Health Parity is already provided to nine million employees of the Federal government, and voluntarily to employees of corporations such as Boeing and Microsoft.

The law will be transitioned over four years, starting in January 2006. The legislation established the following schedule for implementation by 2010:

- For new and existing plans effective on or after January 1, 2006, co-payments, and coinsurance for mental health services must be consistent with medical and surgical services. Prescription drug for mental health services must be provided to the same extent and condition as other prescription drugs under the plan.
- For new and existing plans effective on or after January 1, 2008, a maximum out-of-pocket or stop loss level must be a single limit or stop loss for medical, surgical and mental health services
- For new and existing plans effective on or after January 1, 2010, if the health plan imposes any deductible, mental health services must be included with medical and surgical services. Visit limitations on coverage for mental health services may be established only if they are consistent with medical and surgical services.

SHB 1154 will not prevent a carrier from managing these benefits, or using managed care techniques, such as authorized treatment plans, preauthorization requirements based on the type of service and using a network of participating providers.