

Protection Eludes Consumers: 1996 Act Is Not Enough

Insurance Policy Features That Limit Access to Mental Health Benefits

Covered by Mental Health Parity Act of 1996:

Lifetime Dollar Limit
Annual Dollar Limit

Not Covered by MHPA '96:

Day & Visit Limits
Coinsurance/Copayment
Deductible
Maximum Out of Pocket

The promise of protection from discrimination in insurance benefit design has failed millions of American families who need mental health services. When Congress passed the Mental Health Parity Act of 1996 it provided only partial parity, banning the use of arbitrary *dollar* limits on mental health services on an annual or lifetime basis. Left untouched were other important and potentially costly parts of a policy like limits on inpatient days and outpatient visits and other out of pocket expenses. Those limits result in millions of Americans being denied needed treatment or incurring huge out-of-pocket costs.

The U.S. General Accounting Office found in a May 2000 report that 87% of the employers complying with the Act merely substituted another limit for dollar limits. They just squeezed the balloon and used, most typically, day and visit limits instead. This was certainly violating the spirit of the Mental Health Parity Act and it has had the effect, found the GAO, of placing parity protections out of reach of many consumers.

Congress must close all the loopholes in the 1996 Act for all American families by passing S. 486 and H.R. 953.