

Coalition for Fairness in Mental Illness Coverage

Americans Want the Benefit 9 Million Federal Employees Have: Mental Health Parity!

Effective January 1, 2001, 9 million federal employees (including Members of Congress) and their dependents have access to mental health and substance abuse benefits equivalent in coverage to those provided for other health problems. This “parity” policy is one of most comprehensive in the country, and stands in stark contrast to widespread practices. Too often, individuals lack the kind of protection this Federal Employee Health Benefit (FEHB) Program offers, and instead have lower levels of coverage for treating mental and substance abuse disorders than for other conditions. As a result, people can easily exhaust their benefits or incur staggering out-of-pocket costs.

Parity under the FEHB Program brings a vast improvement in benefits coverage for mental health and substance abuse care. Rather than more limited coverage and higher costs, the health plan choices offered to beneficiaries must set the same limitations and cost-sharing (such as deductibles, coinsurance, and copays) for mental health and substance abuse care as for any other care. This policy, implemented by the Office of Personnel Management (OPM), not only sets a major precedent, but OPM’s explanation of the Federal government’s employee-benefits parity policy is itself highly instructive:

Cost of parity: It has been argued that the cost of parity is prohibitive and will result in fewer people having insurance coverage. OPM’s response: this argument “appears to be a myth”. OPM says,

“A growing body of research and actual industry experiences indicate that parity can be implemented without substantially increasing premiums, as long as it is coupled with efforts to manage the benefit. These studies have been highlighted in several recent reports to Congressional committees...For the FEHB Program the... average increase for fee-for-service plans is 1.64%, for HMOs it’s .3%, with an aggregate Program increase of 1.3%. Per biweekly pay period, those with a self-only enrollment will pay \$0.46 for parity. Family enrollees will pay \$1.02.”

The rationale for parity (cited by OPM):

“There is a growing consensus on the effectiveness of treatment and the ability of managed health care delivery systems to control costs. Most experts agree that mental health and substance abuse diagnoses have well-established biological bases, diagnoses are reliable, and treatment is effective and available. We believe that this is important because adequate mental health and substance abuse benefits coverage has been shown to improve patient health, provide patients with greater financial protection against unforeseen costs, and to reduce work place absences and employee disabilities. Recent advancements in the treatment and management of mental illness have left no justifiable rationale for disparate treatment of mental illness.”

If parity can be achieved for Federal employees, other Americans deserve nothing less!