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SUPPORT HB 1530 (LANG)

HB 1530: MENTAL HEALTH PARITY

- HB 1530 brings Illinois law into compliance with the core consumer protections established by recent federal mental health parity laws.
 - The federal parity laws established a “floor” for States to build upon as appropriate. HB 1530 exceeds the minimum requirements in ways that benefit small employers, improve productivity, and reduce long-term health care costs.
- HB 1530 creates a new Mental Health Parity section within the Illinois Insurance Code and amends those State laws that conflict with the federal parity requirements.
 - HB 1530 prohibits all group health insurance policies from imposing financial requirements (*e.g.*, deductibles, co-payments, or coinsurance) or treatment limitations (*e.g.*, limits on the frequency of treatment, number of visits, or days of coverage) for the treatment of mental health or substance use disorders that are more restrictive than those applied to medical and surgical benefits.
 - For example, a group policy that did not contain a limit on the number of outpatient visits for medical/surgical benefits could not limit the number of outpatient visits for mental health benefits.

BACKGROUND

- In 2008, President George W. Bush signed into law the Wellstone-Domenici Mental Health Parity and Addiction Equity Act (“MHPAEA”), which ensures equivalent coverage for mental health or substance use disorders and other medical or surgical conditions.
- The MHPAEA only applies to group health insurance policies and HMO plans covering 51 or more employees. It builds upon the Mental Health Parity Act of 1996 (“MHPA”), which prohibited annual or lifetime limits for the treatment of mental health or substance use disorders that are less favorable than those applied to medical and surgical benefits.
- Several provisions of State law conflict with, and are preempted by, the parity requirements of the MHPAEA or the MHPA.
 - If Illinois does not enact legislation adopting the parity requirements established by the MHPAEA and the MHPA, the requirements may be enforced by federal regulators.

THE TRUTH ABOUT COSTS, “MANDATES,” AND HB 1530

MYTH: HB 1530 imposes new benefit mandates on small employers.

FACT: HB 1530 **does not** require small employers to provide **any** new health insurance benefits.

- If small employers *choose* to offer benefits for the treatment of mental health or substance abuse, HB 1530 ensures that the benefits are provided on parity with the benefits for other conditions, consistent with federal standards.
- HB 1530 adopts into Illinois law federal parity requirements that became effective October 3, 2009. Illinois health insurers have had to comply with the parity requirements since that time.

MYTH: HB 1530 will increase health insurance premiums for employers.

FACT: Studies on the cost impact of parity laws show negligible premium increases and, in some cases, cost savings.

- The Congressional Budget Office estimated that premiums for existing plans would increase by 0.4% as a result of the federal parity law.
- HB 1530 requires large employer plans (51 or more employees) to provide coverage for the treatment of substance abuse disorders—coverage which has been demonstrated to reduce utilization and health care expenditures, and increase worker productivity. For example:
 - Alcoholism is estimated to cost 500 million lost workdays annually.
 - Savings from investing in treatment for substance abuse problems can exceed costs by a ratio of 12 to 1.

MYTH: HB 1530 expands the scope of existing benefit mandates, including the Autism Mandate.

FACT: HB 1530 does not change existing benefit mandates, including the Autism Mandate, except to ensure consistency with the federal parity standards and to avoid federal preemption of Illinois law.

SUPPORTERS INCLUDE:

Illinois Alcoholism & Drug Dependence Association | Illinois Psychiatric Society | Illinois Hospital Association | Illinois State Medical Society | Illinois Psychological Association | United Cerebral Palsy of Illinois | Association of Community Mental Health Authorities of Illinois | Illinois Association of Rehabilitation Facilities | Community Behavioral Healthcare Association of Illinois | Illinois Nurses Association | Illinois Society for Advanced Practice Nursing | Childcare Association of Illinois | The Prairie Center Health Systems | Illinois Department of Insurance | National Alliance on Mental Illness | National Association of Social Workers | Illinois Academy of Family Physicians | Illinois Speech Language Hearing Association | Illinois State Bar Association | American Academy of Pediatrics-Illinois Chapter | Chicago Lakeshore Hospital | Mental Health Summit | Illinois Osteopathic Medical Society | Don Moss & Associates