# Senate Mental Health Parity Bill Introduced to Close Loopholes in 1996 Legislation

In March, Senator Pete Domenici (R.-N.M.) and Senator Paul Wellstone (D.-Minn.) introduced the Mental Health Treatment Act of 2001, which would expand the provisions of the 1996 parity law by providing full parity in insurance coverage for all mental health conditions listed in DSM-IV, not just "severe biologically based" disorders, and for all aspects of treatment. The provisions of the 1996 law are now in effect but are scheduled to "sunset" on September 30, 2001. At a press briefing Senator Domenici emphasized the importance of passing parity legislation this year.

According to a report by the General Accounting Office, the anticipated benefits of the 1996 law were not realized because many group health plans found loopholes to circumvent parity coverage for mental illness. The 1996 law focused only on annual and lifetime dollar limits on treatment for mental illness. The newly proposed legislation will ensure parity in patient copayments, coinsurance, and deductibles; the length of hospital stays; and the number of outpatient visits. The proposed bill also

amends the Employment Retirement Income Security Act of 1974, which has permitted self-insured plans to ignore parity requirements in state laws.

The provisions of the proposed legislation are modeled on those of the Federal Employees Health Benefits Program, which was announced by the Clinton administration at the 1999 White House Conference on Mental Health. Federal employees began receiving comprehensive parity benefits for mental disorders on January 1, 2001. The bill's provisions are also consistent with the 1999 Surgeon General's report on mental health, which found no scientific justification for any differences in the terms or conditions of coverage for mental illness.

The American Psychiatric Association (APA) and seven other national organizations, including the American Medical Association, the American Managed Behavioral Healthcare Association, and the National Alliance for the Mentally Ill (NAMI), have joined in forming the Coalition for Fairness in Mental Illness Coverage, which strong-

ly supports comprehensive parity. Steven Mirin, M.D., medical director of APA, joined Senators Domenici and Wellstone at the press briefing and called for an end to "the discrimination that denies adequate coverage to people with mental illness."

A companion bill was introduced in the House in January by Representative Marge Roukema (R.-N.J.). The House bill, unlike the Senate bill, applies to substance use disorders. Senator Wellstone stated that he is planning to introduce a substance abuse parity bill in this legislative session.

If enacted, the new provisions would become effective on January 1, 2002. The new law would supersede only state parity laws with weaker provisions. According to NAMI, 32 states have passed parity laws, many of which were modeled on the 1996 federal parity legislation.

Unlike the 1996 law, the new law would not exempt employers that show that their annual costs of compliance with parity provisions would exceed 1 percent of their current expenditures for health care coverage. However, the new law would exempt employers with 25 or fewer employees. The 1996 law exempts those with 50 or fewer employees.

The text of both the House and Senate bills, H.R. 162 and S. 543, is available on the Web at thomas.loc.gov.

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#### NEWS BRIEFS

**Bazelon Center report:** A new report by the Bazelon Center for Mental Health Law examines why many people with serious mental illness cycle in and out of criminal justice facilities and discusses how state and local officials can reduce this type of recidivism. A particular focus of the report is on helping criminal justice officials and mental health program staff assist jail inmates in qualifying for federal Medicaid and disability benefits. The report notes that many people who have severe mental illness lose their federal entitlements while they are in jail. The report describes the complex and interrelated rules of relevant federal programs and

suggests policy options to help states and localities use the rules more effectively. *Finding the Key to Successful Transition From Jail to Community* can be downloaded from the Bazelon Center's Web site at www.bazelon.org.

SAMHSA summary of grant opportunities: The Substance Abuse and Mental Health Services Administration has released the latest issue of Snapshot, a series dedicated to simplifying and disseminating information about SAMHSA's many grant programs in one readable, compact source. The current issue of Snapshot provides details about all of SAMH-SA's planned FY2001 Guidance for Applications (GFAs) from the Center for Mental Health Services, the Center for Substance Abuse Treatment. and the Center for Substance Abuse Prevention. It also describes eligibility criteria, projects, and funding priorities. It offers tips on effective development and presentation of applications. A free copy of the issue can be obtained by sending an e-mail with name and address to snapshot@samhsa.gov. It is also available at www.samhsa.gov.

### AHRQ catalog of hospital databas-

es: The U.S. Agency for Healthcare Research and Quality has published a free catalog entitled Databases and Related Resources From the Healthcare Cost and Utilization Project (HCUP). HCUP is a federal-state-private industry partnership to build a standardized, multistate health data system for use in research. The data system encompasses 22 state-specific inpatient databases, nine state-specific ambulatory surgery databases, and the nationwide inpatient sample, which consists of a stratified probability sample drawn from the state inpatient databases. The HCUP data in the catalog contain clinical and nonclinical information on all patients regardless of insurance source, including uninsured patients. The data are used to track utilization, access, costs, and outcomes and to analyze trends at the national, regional, and state levels. To obtain the catalog, contact the AHRQ Publications Clearinghouse, P.O. Box 8547, Silver Spring, Maryland 20907; 800-358-9295.

**Community Health Leadership Program awards:** The Robert Wood Johnson Foundation is seeking nominations for its Community Health Leadership Program awards, which annually recognize ten outstanding individuals for their work in creating or enhancing health care programs that serve communities whose needs have been ignored or have gone unmet. Each awardee receives a total of \$100,000, which includes a \$5,000 personal stipend and \$95,000 over three years for program enhancement. Nominees should be working full-time at the grassroots level, have received no national recognition, and be in mid-career, with no less than five and no more than 15 years of community health experience. To obtain a brochure and nomination forms. contact the program office at 617-426-9772 or visit www.communityhealthleaders.org. Nominations are due by September 18, 2001.

American Association of Community Psychiatrists award: Nominations are sought for the 2001-2002 Moffic Award for ethical practice in public-sector managed behavioral health care. The American Association of Community Psychiatrists and H. Steven Moffic, M.D., have sponsored the \$2.000 award since 1998 to stimulate national recognition of ethical practice "in an era of concern for quality care as managed care has entered the public sector and community mental health." Nominations, which may include providers in any mental health discipline, consumers, organizations, or new technologies, should be sent to Dr. Moffic at the Department of Psychiatry, Medical College of Wisconsin, 8701 Watertown Plank Road. Milwaukee. Wisconsin 53226. The deadline for nominations is February 1, 2002.

#### PEOPLE & PLACES

Award: Howard H. Goldman, M.D., Ph.D., was awarded the Surgeon General's Medallion for his role as senior scientific editor of Mental Health: A Report of the Surgeon Gen-

eral, published in December 1999. The award, the highest honor conferred on civilians by the U.S. Public Health Service, was presented by Surgeon General David Satcher, M.D., at a surprise ceremony at the annual meeting of the American Public Health Association held last November in Boston. Dr. Goldman is a member of the editorial board of *Psychiatric Services*.

Appointment: Richard Birkel, **Ph.D.**, has been appointed executive director of the National Alliance for the Mentally Ill. He was formerly president and chief executive officer of the Lt. Joseph P. Kennedy Institute (Kennedy Institute) in Washington, D.C., an advocacy and service organization for people with disabilities that is operated by the Catholic Archdiocese of Washington, D.C. In announcing his appointment, Jacqueline Shannon, president of NAMI's board of directors, cited Dr. Birkel's "proven skills as a strategic leader of nonprofit organizations" and his "keen perspective as a family member of people who live with severe mental illness."

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