



H.R. 6983 – Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008

FLOOR SITUATION

H.R. 6983 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative Patrick Kennedy (D-RI) on September 22, 2008. The resolution was referred to the House Committee Energy and Commerce, Committee on Education and Labor, and the Committee on Ways and Means, but was not considered.

H.R. 6983 is expected to be considered on the floor of the House on September 23, 2008.

SUMMARY

H.R. 6983 amends the Employment Retirement Income Security Act (ERISA), the Public Health Service Act, and the Internal Revenue Code to require mental health and substance-related disorder benefits to be included in employer-sponsored health care plans in the same manner that medical and surgical benefits are provided in these plans. The mental health parity requirements apply to group health plans with 51 or more employees.

**Note: Unlike the bill previously passed by the House (H.R. 1424), H.R. 6983 does not mandate that the plan include benefits for any of the conditions included in the Diagnostic and Statistical Manual of Mental Disorders (DSM IV) published by the American Psychiatric Association.*

Increased Cost Exemption: H.R. 6983 provides employers with a one year exemption if the cost of complying with the requirements for mental health and substance-related benefits exceeds two percent of total costs of health care coverage in the first year and one percent in each subsequent year.

Reporting Requirement: The bill requires the Secretary to submit a report by January 1, 2012, and every two years thereafter to the appropriate Congressional committees regarding the compliance of group health plans with mental health parity.

Out of Network Benefits: H.R. 6983 requires plans that provide medical and surgical benefits out-of-network for emergency, inpatient, or outpatient services to also provide mental health and substance-related disorder benefits outside the network of providers as well.

GAO Study: The bill requires the Comptroller General of the United States to conduct a study within three years of the date of enactment that analyzes the specific rates, patterns, and trends in coverage and exclusion of specific mental health and substance use disorder diagnoses by health plans and health insurance.

Worldwide Interest Allocation: In 2004, Congress authorized a change in the way costs stemming from interest between United States sources and foreign sources of income are treated for the purposes of determining a taxpayer's foreign tax credit eligibility. This implementation of this tax benefit was delayed until tax year 2008, and H.R. 6983 will further delay its implementation for two years (until 2011) and further reduce the value of the provision in 2011, by 70 percent, but not following years.

BACKGROUND

In 1996, Congress enacted the Mental Health Parity Act (MHPA). The MHPA amended the Employee Retirement Income Security Act (ERISA) and required group health plans that provide mental health benefits offer annual and lifetime dollar limits for mental health treatment that are no less than coverage



provided for medical and surgical benefits. In addition, it allowed employers with less than 50 employees to be exempt from this requirement. The MHPA expired on December 31, 2007.

**Note: The House passed a one-year extension of the MHPA (H.R. 4848) on February 7, 2008, by a vote of 384 to 23. ([Roll Call 35](#)) The Senate has not acted on H.R. 4848.*

President Bill Clinton issued an Executive Order in 1999 that required the Federal Employee Health Benefit Program (FEHBP) to implement full mental health parity by January 1, 2001. The FEHBP mental health benefits cover all of the mental illnesses included in the Diagnostic and Statistical Manual of Mental Disorders (DSM-IV) published by the American Psychiatric Association. In addition, FEHBP only requires mental health parity for in-network services.

During the 110th Congress, the Senate passed the Mental Health Parity Act of 2007 (S. 558) by unanimous consent on September 18, 2007. S. 558 is sponsored by Senator Pete Domenici (R-NM) and Senator Edward Kennedy (D-MA). The legislation was negotiated on a bipartisan basis with outside groups representing patients, providers, insurers, and businesses. The Senate bill requires mental health benefits to be on par with medical and surgical benefits offered by group health plans, but does not mandate that all of the mental illnesses in the DSM-IV are covered. In addition, the Senate bill ensures that group health plans can negotiate separate reimbursement of provider payment rates and service delivery systems for benefits, in the same way FEHBP does, to control the cost and quality of benefits.

The House passed the Paul Wellstone Mental Health and Addiction Equity Act (H.R. 1424) on March 5, 2008, by a vote of 268-148 ([Roll no. 101](#)). H.R. 1424 requires mental health and substance-related disorder benefits to be included in employer-sponsored health care plans in the same manner that medical and surgical benefits are provided in these plans. The bill requires that the plan include benefits for any of the conditions included in the Diagnostic and Statistical Manual of Mental Disorders (DSM IV) published by the American Psychiatric Association, which includes "jet lag" and "caffeine intoxication" as mental conditions. The House passed bill also included an offset that would prohibit physicians from opening new specialty hospitals.

COST

According to preliminary estimates by the Congressional Budget Office, the mental health parity provisions of the bill would reduce revenues by \$3.9 billion and the world wide interest allocation provisions would increase revenues by \$4.02 billion.

STAFF CONTACT

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