

Parity

- All mental illnesses, including substance use disorders, should receive insurance coverage equal to that of other medical illnesses.
- Mental illnesses are medical illnesses, like heart disease and cancer, and are as debilitating.
- The American Psychiatric Association was instrumental in getting the Mental Health Parity Act of 1996 enacted into federal law, which prevents health insurance plans from discriminating against individuals with mental illnesses. The Mental Health Parity Act only ends discriminatory annual and lifetime limits; not discriminatory co-payments, deductibles, or doctor visit limits. But, more comprehensive legislation is necessary both at the state and federal level.*
- As of January 1999, 15 states had some form of non-discriminatory laws, which are known as parity laws. Thirteen of these states had enacted the legislation before the federal law went into effect on January 1, 1998.
- Unfortunately, most state parity laws in effect now are *limited* in scope or application. For example, roughly 80% of a state's population would not be protected by a state parity law because most people are covered by insurance plans governed by federal law.
- Nearly 98% of private health insurance plans discriminate against patients seeking treatment for mental illness by requiring higher co-payments, allowing fewer doctor visits or covered hospital days, or setting lower benefit limits.
- Treatments for mental illnesses have high success rates. According to a report by the National Advisory Mental Health Council, the successful treatment for schizophrenia is at 60%; depression, 70-80%; and panic disorder, 70-90%. For two specific heart disease treatments, that rate is 45-50% overall.¹

Reference:

Fact Sheet on Parity. Washington, DC: American Psychiatric Publishing Group, 1998

Speaker's Tips:

* Add specifics regarding status of parity legislation in your state.

¹ National Advisory Mental Health Council: *Parity in Coverage of Mental Health Services in an Era of Managed Care*. Rockville, MD, U.S. Department of Health and Human Services, 1997

