



# *Michigan Association of Health Plans*

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## Memorandum

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Date: November 10, 2010  
To: House Health Policy Committee Members  
From: Christine Shearer, Director of Legislation, MAHP  
Subject: Mental Health Parity Legislation

The Michigan Association of Health Plans, along with its mental health colleagues and national trade associations, is still working to understand the recently promulgated rules pertaining to the Federal Mental Health Parity and Addiction Equity Act that took effect on July 1, 2010. It is clear that implementation of these rules will require a great deal of work.

HB 4597 and MB 4598 do not align with the Federal Mental Health Parity and Addiction Equity Act, but would require additional resources to implement. In addition, health plans are working to implement the newly enacted federal Patient Protection and Affordable Care Act, including expansion of coverage under Medicaid, dependent coverage, and changes in Medicare – all of which are effective within the next few months.

Considering the fact, the enacted rules and competing statutes are extremely complex and in need of clarification, MAHP therefore respectfully requests you to vote “no” on HB 4597 and 4598 at this time.

State Exchanges (created under federal reform) may make available a qualified health plan notwithstanding any provision of law that may require benefits other than the "essential" health benefits specified under Act Sec. 1302 (b) of the Affordable Care Act.

Further a state may require that a qualified health plan offered in the state offer benefits in addition to the essential health benefits. However, in this instance, **the state must assume the cost** by (1) making payments to an individual enrolled in a qualified health plan offered in such state or (2) making payments directly to the qualified health plan in which such individual is enrolled, on behalf of the individual. This is intended to defray the cost of any additional benefits, (Act Sec. 1311 (d)(3) , as amended by Sec. 10104 (e)(1) of the Affordable care Act.

(Discussed on page 139 of the Federal Law Books we have (chapters 215)

Section 1302(b)(1) of the Affordable Care Act describes the essential benefits to be covered in the exchanges. The scope of benefits must be equivalent to the scope of benefits offered under "typical" employer-sponsored plan and be certified by the Chief Actuary of CMS. This provides the apples to apples comparisons for consumers obtaining services through the exchange.

#### **SEC. 1302. ESSENTIAL HEALTH BENEFITS REQUIREMENTS.**

(a) Essential Health Benefits Package- In this title, the term 'essential health benefits package' means, with respect to any health plan, coverage that--

- (1) provides for the essential health benefits defined by the Secretary under subsection (b);
- (2) limits cost-sharing for such coverage in accordance with subsection (c); and
- (3) subject to subsection (e), provides either the bronze, silver, gold, or platinum level of coverage described in subsection (d).

(b) Essential Health Benefits-

(1) IN GENERAL- Subject to paragraph (2), the Secretary shall define the essential health benefits, except that such benefits shall include at least the following general categories and the items and services covered within the categories:

- (A) Ambulatory patient services.
- (B) Emergency services.
- (C) Hospitalization.
- (D) Maternity and newborn care.
- (E) Mental health and substance use disorder services, including behavioral health treatment.
- (F) Prescription drugs.
- (G) Rehabilitative and habilitative services and devices.
- (H) Laboratory services.
- (I) Preventive and wellness services and chronic disease management.
- (J) Pediatric services, including oral and vision care.