

Position Paper from the Michigan Rehabilitation Association
Mental Health Parity

Most employers who provide health insurance to their employees also provide mental health benefits. However, to access your mental health or substance use disorder benefits, you may be required to pay higher copay of up to 50%. This is compared to 10% or 20% copay when you use services you would pay for other health services.

In addition, some health benefits impose annual or lifetime limits on the amount of mental health or substance abuse treatment that will be covered. These limits are typically at a much lower level of coverage than are your general (physical) medical coverage. Then you would be left alone to pay 100% out-of-pocket.

The disparity in coverage for mental health and substance use disorders is health insurance discrimination. This discrimination has been addressed by the 2008 federal parity law. However, the federal law does not apply to employers with 50 or less employees. Approximately two million Michigan employees need a state law to get fair coverage!

Michigan is one of only seven states without a mental health insurance parity (equality) law. This lack of parity in Michigan prevents many individuals from receiving not only early intervention for diagnosed mental and developmental disorders but access to treatment all together for some. (1)

The lack of parity here is one of several contributing factors to our problems of justice system incarceration for person with mental illness.

Amendments were made to the autism coverage bill last spring that attempted to create coverage for mental health and substance abuse disorders. As we know the amendments did not pass. We have an autism coverage bill that stands alone. (2)

Multiple state and federal studies since 1996 demonstrate that parity reduces absenteeism and increases productivity. Studies repeatedly show that mental health coverage on a par with physical health coverage will cost employers just around 1 percent per enrollee per month. (3)

Join Partners for Parity <https://sites.google.com/site/michiganparity/> and the Michigan Rehabilitation Association in supporting this vital effort.

References:

1. Mental Health Association of Michigan- testimony of Mark Reinstein, Mental Health Parity Forum, April 26, 2012, Kalamazoo.
2. *Call to Action*, a monthly public policy newsletter form the Mental Health Association
3. U.S Office of Personnel Management 2006