

## Benefit Fact Sheet

### Objective

To provide "parity" or equivalence in regards to the coverage limits placed on certain mental health and substance abuse benefits.

### Why offer it?

Employers are required by federal law to comply with the Mental Health Parity and Addiction Equity Act (MHPAEA). Penalties and fines may be imposed for non-compliance.

### Who offers it?

All employers with at least 50 employees must comply with the rules and regulations set forth by the MHPAEA. Some states require employers to abide by the regulations regardless of size. For specific information, refer to your state's Department of Labor.

### What are the provisions of the law?

In general, the MHPAEA restricts groups from placing limits on mental health and substance abuse benefits that are lower than the limits placed on medical and surgical benefits offered by the group health plan. For example, the deductibles and copayments and number of visits or days of coverage payable by the plan for mental health and substance abuse may not be more restrictive than any other medical/surgical benefit that is also covered by the plan.

The law does not require group health plans to include mental health and substance abuse coverage in their benefits package. The law's requirements only apply to group health plans that currently provide mental health and substance abuse benefits.

Groups may be exempt from the rules associated with the MHPAEA if enforcement of the act would cause an increase in the cost of the plan of at least two percent. Nonfederal government employers that offers a self-funded group health plan may be able to opt-out of the requirements of the MHPAEA by following [certain procedures](#) and issuing a notice of opt-out to enrollees on an annual basis and upon enrollment.

### Informational link(s)

- [The Mental Health Parity Act](#) (U.S. Department of Health & Human Services)
- [MHPAEA of 2008](#) (H.R. 1424-118)

This Fact Sheet is designed to provide a general overview of the benefit program, service, or regulatory act it describes. The information included in this document is not a substitute for legal or professional opinion relative to a plan sponsor's particular fact pattern. Your ArlenGroup consultant can answer more specific questions relative to its application for your organization. A menu of additional topics is available online at: [www.arlengroup.com/facts](http://www.arlengroup.com/facts).