

IMPACT OF NEW FEDERAL MENTAL HEALTH AND SUBSTANCE ABUSE PARITY IN CALIFORNIA

Short answer - with more to come soon:

1. For the the next fifteen months there is no impact as the new law does not take effect until January 1, 2010.
2. Once effective it will expand the reach of California's current mental health parity law to all employers. State health care mandate laws do not apply to large employers who are "self funded" meaning that they cover the financial costs themselves and contract with an Insurer or HMO to only to manage the benefits (also known as a third party administrator or TPA). These employers are regulated only by federal law.
3. For employers with 50 or more employees, the benefits under California's law will be expanded to cover substance abuse and any mental disorder (such as attention deficit disorder and generalized anxiety disorders) which is not one of the listed conditions in California's law.

The listed conditions in California law are:

- a) Schizophrenia.
- b) Schizoaffective disorder.
- c) Bipolar disorder (manic-depressive illness).
- d) Major depressive disorders.
- e) Panic disorder.
- f) Obsessive-compulsive disorder.
- g) Pervasive developmental disorder or autism.
- h) Anorexia
- i) Bulimia
- j) Any diagnosis which results in a Serious Emotional Disturbance of Children which is life threatening or present for six or months and significantly impairs the child's ability to succeed in school, in society or at home.

Once the parity law becomes effective these limitations in California will only apply to plans for employers with fewer than 50 employees (and then only until we can get a Governor to sign legislation such as this year's AB 1887 Beall which was approved by the legislature but was vetoed by Governor Schwarzenegger last week).

The Mental Health Association in California has extensive materials on how to make sure people can get their parity benefits supported by a grant from the Department of Managed Healthcare's Office of the Patient Advocate. For more information contact Arnulfo Medina 916-557-1167 or amedina@mhac.org.