

## **S. 2647 The Behavioral Health Coverage Transparency Act of 2016**

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The Mental Health Parity Act of 1996, the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008, and the Affordable Care Act establish mental health parity protections in the United States. These laws require that insurance coverage for mental and behavioral health care services is on par with the coverage offered for physical health care services for most plans. However, surveys of consumers and experiences shared by constituents tell a very different story. A 2015 survey<sup>1</sup> conducted by the National Alliance on Mental Illness found that nearly 50% of respondents had been denied coverage for mental or behavioral health care, compared with only 14% denied for physical health care.

Mental health parity is hard to enforce and it is further complicated by the lack of robust data regarding denial rates, reasons for denials, and insurance plan designs. It is also difficult for consumers to know how to fight denials and to which state or federal regulator to report problems. Parity is the law of the land, but we need more transparency and better tools to enforce the current laws and empower consumers.

The Behavioral Health Coverage Transparency Act of 2016 requires insurance issuers to submit a report to the federal regulators – the Department of Health & Human Services (HHS), Department of Labor (DOL), or Department of the Treasury (Treasury) – that discloses how they are making parity decisions and the rates and reasons they deny mental health claims compared to physical health claims. The Act also encourages compliance with the standing parity laws by ensuring that each year HHS, DOL, and Treasury perform no less than 12 random audits of health plans per year

In addition, the bill establishes a Consumer Parity Unit that gives consumers a single place to get information about their rights, the information submitted by insurers about how they make parity decisions, and results of audits. Importantly, the Consumer Parity Unit will take consumer parity complaints with the assurance of timely responses. To help improve transparency regarding the compliance of state-regulated insurance plans with parity laws, it also requires state insurance commissioners to collect and disclose information about how the plans under their purview are complying with the law.

The Behavioral Health Coverage Transparency of 2016 is supported by the following organizations: Bazelon, Eating Disorders Coalition, Legal Action Center, NAMI, National Disability Rights Network, and the Massachusetts Medical Society, the Parity Implementation Coalition, and Young People in Recovery.

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<sup>1</sup> National Alliance on Mental Illness, *A Long Road Ahead: Achieving True Parity in Mental Health and Substance Use Care*, April 2015, <https://www.nami.org/parityreport>