



## **Mental Health Parity Act and Other Changes Effective October 15, 2009**

The Mental Health Parity Act (or the “Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008”) was signed into law on October 3, 2008.

The Act requires that group health plans and group health insurers apply equivalent (or better) treatment and financial limits to mental health and substance use disorder benefits as they apply to medical and surgical benefits. This can be accomplished by applying the same limits or by creating “separate, but equal” limits. It removes any day or visit limits or financial maximums that have been imposed on mental health or substance use disorder benefits if the limits or maximums are more restrictive than the predominant ones on medical and surgical benefits. However, the Act does not require health plans to provide mental health/substance use disorder benefits: the law only applies to health plans that include these benefits.

Federal rules for the new law are not published, and might not be available until after the effective date.

The Federal Mental Health Parity (MHP) law becomes effective October 3, 2009. The law applies to fully insured and self insured groups of 51 or more employees and mandates equalization of copays, coinsurance, deductibles and the elimination of day and visit limits and financial maximums. It also applies to new sales and renewals on or after October 3, 2009 for ERISA groups of 51+ in size, including ASC and church groups. Non-governmental ASC groups that currently have a modified benefit must now become compliant. Non-federal government ASC groups must be compliant unless they choose to meet certain opt out requirements.

The effective date for new groups will be October 15, 2009. The benefit will be enhanced for our existing groups at their renewals beginning November 1, 2009. For non-federal governmental ASC groups, Underwriting will include MHP rates in their quote and renewal calculations. It will be up to the group to notify us of their choice to opt-out.

A non-federal governmental plan (e.g., a plan maintained by a county, city or school district) may opt-out of federal mental health parity if:

- The plan is self-funded (and any reinsurance is not subject to state regulation as insurance).
- The plan sponsor provides written notice of the opt-out to plan participants at enrollment and annually thereafter, including disclosure of the consequences of the opt-out.

## Agent Insight

- The plan sponsor mails notice of its decision to opt-out to Centers for Medicare and Medicaid Services (CMS) before the beginning of each plan year.

Please note that we are not authorized to give legal advice to our groups. For legal consultation, each group will need to contact their respective legal department. More information on the opt-out process can be found at:

[http://www.cms.hhs.gov/SelfFundedNonFedGovPlans/02\\_ProceduresandRequirements.asp#TopOfPage](http://www.cms.hhs.gov/SelfFundedNonFedGovPlans/02_ProceduresandRequirements.asp#TopOfPage)

### Care Management

At Regence, we strongly believe that our integrated, whole-person model of care management is a valuable and cost-effective tool for our members. Utilization Management activities are still allowed by the new law and are effective in managing the quality and cost of Mental Health and Chemical Dependency care. Regence has a comprehensive program of mental health and chemical dependency benefit management and network or provider panel management. We are experienced in managing parity benefits in Oregon and in all our states for the Federal Employee Program. If your group is concerned about access to care, cost management, or how Regence can help them, please contact your sales representative.

### Michelle's Law Federal Mandate

The Federal government passed Michelle's Law which will be effective October 9, 2009. The law allows full-time college students, if they are covered by a parent's health insurance plan, to maintain their coverage for up to 12 months while taking a medical leave from school or changing to a part-time student status. The extension only applies if loss of student status is the reason for losing coverage (student age limit requirements in plans). This protection covers student dependents that are enrolled in a post-secondary educational institution and whose medical leave has been certified by a physician. The leave of absence or change to part-time status must be medically necessary and must commence while the eligible student is suffering from a serious illness or injury and would otherwise lose coverage under the plan. Coverage may not be extended beyond the health plan's dependent age limit.

Please note that Michelle's Law impacts only a small number of Regence employer groups - only those that have student age limit requirements. ASC groups must comply with the law; however, non-federal governmental plans may opt out as they can with the Mental Health Parity Act. The law does not impact Regence Innova<sup>SM</sup>, Engage<sup>®</sup>, Activate<sup>SM</sup>, HSA Healthplan 2.0<sup>SM</sup>, and Regence Individual plans as student eligibility is not a requirement. It will be implemented for new sales and renewing groups beginning effective October 15, 2009.

Federal rules for the new law are not published, and might not be available until after the effective date.

### Summary of Changes

The following plans will be affected by this mandate implementation:

## SUMMARY OF BENEFIT CHANGES AND CONTRACT LANGUAGE CLARIFICATIONS

Effective October 15, 2009

This comparison summarizes the revisions that will be made to group products effective with the first renewal on or after October 15, 2009 (unless specifically noted otherwise). This list does not include minor grammatical or cosmetic modifications.

| BENEFIT / REGULATORY / LEGISLATIVE CHANGES   |   |  |
|--|---|--|
| COMPONENT / CONTRACT(S) AFFECTED   | EXISTING CONTRACT / BOOKLET / REASON FOR CHANGE   | NEW CONTRACT / BOOKLET LANGUAGE  |
| <p><b>MENTAL HEALTH AND CHEMICAL DEPENDENCY</b></p> <p>Applies to all <u>groups</u> of 51+ medical products.</p> | <p>Federal legislation passed the Mental Health Parity Act (MHPA).</p>  | <p>Modified the Mental Health and/or Chemical Dependency benefit so coverage is paid the same as any other condition and removed any maximums that may have applied.</p>   |
| <p><b>SPECIAL ENROLLMENT</b></p> <p>Applies to all <u>group</u> medical products (including groups of 100+).</p> | <p>Federal legislation, effective 4/2009, allows for participants (employees) who are eligible for coverage but not enrolled in the group plan to enroll within 60 days if the employee or dependent's Medicaid or CHIP (state premium assistance) eligibility ends, or if the employee or dependent becomes eligible for a premium subsidy under Medicaid or CHIP.</p> | <p>The Special Enrollment provision was revised to describe an additional qualifying event based on:</p> <ul style="list-style-type: none"> <li>• Loss of Medicaid/CHIP coverage; or</li> <li>• Becoming eligible for Medicaid/CHIP</li> </ul> |



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# SUMMARY OF BENEFIT CHANGES AND CONTRACT LANGUAGE CLARIFICATIONS

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| <p><b>MENTAL HEALTH AND CHEMICAL DEPENDENCY</b></p> <p>Applies to all <u>groups</u> of 51+ medical products.</p> | <p>Federal legislation passed the Mental Health Parity Act (MHPA).</p>  | <p>Modified the Mental Health and/or Chemical Dependency benefit so coverage is paid the same as any other condition and removed any maximums that may have applied.</p>   |
| <p><b>SPECIAL ENROLLMENT</b></p> <p>Applies to all <u>group</u> medical products (including groups of 100+).</p> | <p>Federal legislation, effective 4/2009, allows for participants (employees) who are eligible for coverage but not enrolled in the group plan to enroll within 60 days if the employee or dependent's Medicaid or CHIP (state premium assistance) eligibility ends, or if the employee or dependent becomes eligible for a premium subsidy under Medicaid or CHIP.</p> | <p>The Special Enrollment provision was revised to describe an additional qualifying event based on:</p> <ul style="list-style-type: none"> <li>• Loss of Medicaid/CHIP coverage; or</li> <li>• Becoming eligible for Medicaid/CHIP</li> </ul> |
| LANGUAGE CLARIFICATIONS  |   |  |
| COMPONENT / CONTRACT(S) AFFECTED   | EXISTING CONTRACT / BOOKLET / REASON FOR CHANGE   | NEW CONTRACT / BOOKLET LANGUAGE  |
| <p><b>CUSTOMER SERVICE PHONE NUMBER</b></p> <p>Applies to Activate product.</p>                                  | <p>Customer Service phone number changed.</p>   | <p>Changed to: 1 (888) 367-2117</p>  |
| <p><b>REGISTERED MARK</b></p> <p>Applies to Innova and Engage products.</p>                                      | <p>The product names have been registered and will now have the Registered Mark instead of the Service Mark "SM" when referring to the plan name Innova or Engage.</p>  | <p>A Registered Mark ® has been added to all references where applicable in the contract, booklet, and group benefit summary documents.</p>  |
| <p><b>SPECIAL ENROLLMENT</b></p> <p>Applies to all <u>group</u> medical products (including groups of 100+).</p> | <p>The Special Enrollment provision is unclear as to when coverage actually begins.</p>   | <p>Changed the entire provision to be clearer to the consumer.</p>   |

## SUMMARY OF BENEFIT CHANGES AND CONTRACT LANGUAGE CLARIFICATIONS

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|--|---|--|
| COMPONENT / CONTRACT(S) AFFECTED   | EXISTING CONTRACT / BOOKLET / REASON FOR CHANGE   | NEW CONTRACT / BOOKLET LANGUAGE  |
| <p><b>MENTAL HEALTH AND CHEMICAL DEPENDENCY</b></p> <p>Applies to all <u>groups</u> of 51+ medical products.</p> | <p>Federal legislation passed the Mental Health Parity Act (MHPA).</p>  | <p>Modified the Mental Health and/or Chemical Dependency benefit so coverage is paid the same as any other condition and removed any maximums that may have applied.</p>   |
| <p><b>SPECIAL ENROLLMENT</b></p> <p>Applies to all <u>group</u> medical products (including groups of 100+).</p> | <p>Federal legislation, effective 4/2009, allows for participants (employees) who are eligible for coverage but not enrolled in the group plan to enroll within 60 days if the employee or dependent's Medicaid or CHIP (state premium assistance) eligibility ends, or if the employee or dependent becomes eligible for a premium subsidy under Medicaid or CHIP.</p> | <p>The Special Enrollment provision was revised to describe an additional qualifying event based on:</p> <ul style="list-style-type: none"> <li>• Loss of Medicaid/CHIP coverage; or</li> <li>• Becoming eligible for Medicaid/CHIP</li> </ul> |



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## REGENCE BLUESHIELD OF IDAHO

### SUMMARY OF BENEFIT CHANGES AND CONTRACT LANGUAGE CLARIFICATIONS

Effective October 15, 2009

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| <b>Unique Self-Funded Employer Plans</b>   |   |  |
|--|---|--|
| <b>BENEFIT / REGULATORY / LEGISLATIVE CHANGES</b>  |   |  |
| <b>COMPONENT / CONTRACT(S) AFFECTED</b>  | <b>EXISTING CONTRACT / BOOKLET / REASON FOR CHANGE</b>  | <b>NEW CONTRACT / BOOKLET LANGUAGE</b>   |
| <p><b>DEPENDENT ELIGIBILITY</b></p> <p>Applies to all State's Self-Funded groups that have extended coverage for students.</p> | <p>Federal legislation passed Michelle's Law.</p>   | <p>The following information has been added to the Dependent provision:</p> <ul style="list-style-type: none"> <li>• Allow full-time college students, if they are covered by a parent's health insurance plan, to maintain their coverage for up to 12 months while taking a medically necessary medical leave from school. The extension only applies if loss of student status is the reason for losing coverage (student age limits in plans).</li> <li>• This protection covers student dependents who are enrolled in a post-secondary educational institution and whose medical leave has been certified by a physician.</li> </ul> |
| <p><b>MENTAL HEALTH AND CHEMICAL DEPENDENCY</b></p> <p>Applies to all State's Self-Funded groups.</p>                          | <p>Federal legislation passed the Mental Health Parity Act (MHPA).</p>  | <p>Modified the Mental Health and/or Chemical Dependency benefit so coverage is paid the same as any other condition and removed any maximums that may have applied.</p>   |
| <p><b>SPECIAL ENROLLMENT</b></p> <p>Applies to all State's Self-Funded groups.</p>   | <p>Federal legislation, effective 4/2009, allows for participants (employees) who are eligible for coverage but not enrolled in the group plan to enroll within 60 days if the employee or dependent's Medicaid or CHIP (state premium assistance) eligibility ends, or if the employee or dependent becomes eligible for a premium subsidy under Medicaid or CHIP.</p> | <p>The Special Enrollment provision was revised to describe an additional qualifying event based on:</p> <ul style="list-style-type: none"> <li>• Loss of Medicaid/CHIP coverage; or</li> <li>• Becoming eligible for Medicaid/CHIP</li> </ul>   |
| <b>LANGUAGE CLARIFICATIONS</b>   |   |  |
| <p><b>SPECIAL ENROLLMENT</b></p> <p>Applies to all Integrated Health Solutions products.</p>                                   | <p>The Special Enrollment provision is unclear as to when coverage actually begins.</p>   | <p>Changed the entire provision to be clearer to the consumer.</p>   |



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