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#### NCOIL TO VOTE ON MENTAL HEALTH PARITY MODEL AT SUMMER MEETING

**Albany, NY, June 25, 2001** –  Sen. Edward Oliver (MN) today announced that the National Conference of Insurance Legislators (NCOIL) summer meeting committee agenda will include a discussion and vote on a proposed Mental Health Parity Model Act.  The model would require that those who suffer from mental illnesses have the same access to medical treatment as those who suffer from physical illnesses.  The Health Insurance Committee will address the issue during the NCOIL 2001 Summer Meeting, scheduled for July 12 through 15 at the Hotel Inter-Continental Chicago.

In making the announcement, Sen. Oliver, who chairs the Committee and is one of the bill's sponsors, said:

"This upcoming vote on July 13 will conclude a year-long debate on mental health parity model legislation.  The federal government and 32 states have adopted some type of mental health parity requirements.  NCOIL has explored the issue and has developed model legislation that can serve as a template on which states can draft their own laws."

Sen. Oliver noted that concern about several issues had delayed an NCOIL position on mental health parity, including: costs, mandates in general, the possibility for over-utilization and the potential abuse of benefits, and different interpretations of what constitutes "mental illness."

Scheduled to address the Committee on those issues and others are representatives from a number of insurance groups and advocacy organizations.  Expected to speak in opposition to the proposed model are the Blue Cross Blue Shield Association (BCBSA), the Health Insurance Association of America (HIAA), the American Association of Health Plans (AAHP), and the National Association of Health Underwriters (NAHU).

A statement released by HIAA spoke to the mandate issue by saying that, "The costs of all mandates are ultimately paid by employers and consumers in the form of reduced coverage, higher premiums or lower wages, and lost employment.  HIAA would caution NCOIL to carefully consider adopting model legislation which could result in decreased access to health coverage."

Expected to speak in favor of the proposed model are RAND, the Department of Social and Health Services for the State of Washington, and the National Mental Health Association (NMHA).

The proposed model also has the support of former First Lady Rosalyn Carter, who now chairs the Carter Center's Mental Health Task Force.  In a recent letter to NCOIL, Mrs. Carter addressed cost concerns and wrote that:

"The main objection to parity is the belief that insurance costs would dramatically escalate.  In fact, it is much more cost effective to diagnose and treat mental illnesses in the early stages than to allow them to develop into serious problems that can require a long-term hospitalization.  In addition, evidence now accumulating shows that comprehensive mental health coverage in full parity will increase insurance premiums by less than one percent."

[The proposed NCOIL Mental Health Parity Model Act](http://www.ncoil.org/other/MHP.htm) would provide coverage for mental illness that is at least equal to the coverage provided for physical injury or illness and would offer four major options:

-- coverage under either an individual, small group, or large group policy;

-- a mandate or an optional mandate;

-- a broad-based or a biologically-based definition of mental illness; and

-- coverage for alcoholism and substance abuse services.

During the past year, the NCOIL Health Insurance Committee has been working to develop a model that would satisfy legislators, as well as both the insurance industry and mental health advocacy organizations.  According to Assem. Nancy Calhoun (NY), another sponsor of the bill, " There is sufficient flexibility to generate the necessary support for passage as a model act."

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