

BULLETIN 2001-1
THE MENTAL HEALTH PARITY ACT OF 1996
AND THE
WOMEN'S HEALTH AND CANCER RIGHTS ACT OF 1998

February 13, 2001

This Bulletin is issued pursuant to Ohio Revised Code Sections 3901.011, 3923.02 and 1751.11.

Amendments to the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) include the Mental Health Parity Act of 1996 (MHPA) and the Women's Health and Cancer Rights Act of 1998 (WHCRA). This Bulletin clarifies the requirements of the MHPA and the WHCRA. MHPA applies to all group health plans and health insurance coverage subject to Ohio Revised Code Chapters 3923 or 1751 that provide mental health benefits. WHCRA applies to insurers providing group and individual health plans and health insurance coverage subject to Ohio Revised Code Chapters 3923, 3924 or 1751. Health insurance carriers who administer self-insured health plans should be aware that self-insured plans are subject to these same requirements.

Summary of MHPA Requirements: Group health plans and health insurance coverage that include mental health benefits shall not impose lifetime or annual dollar limits for medical and surgical benefits and a different lifetime or annual limit for mental health benefits. Plans must either combine mental health and medical/surgical benefits under a single annual and/or lifetime dollar limit, or create two separate but equal dollar limits. MHPA does not require the inclusion of mental health coverage, nor does it affect cost sharing, limits on visits or days of coverage, or otherwise affect the amount, duration or scope of mental health benefits beyond the mandated financial parity. MHPA does not apply to benefits for substance abuse or chemical dependency.

If compliance with the requirements of MHPA result in a documented increase in plan costs of one percent or more, the requirements do not apply.

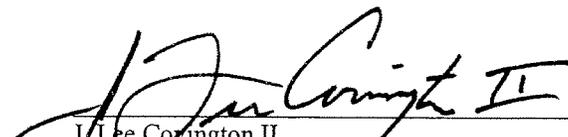
MHPA requirements will not apply to employer groups of 50 employees or fewer, individual health insurance or non-employer group health insurance.

In accordance with Public Law 104-204, 110 Stat. 2994, MHPA requirements will not apply to mental health benefits furnished on or after September 30, 2001.

Summary of WHCRA Requirements: For benefit plans and/or health insurance that provides benefits with respect to mastectomy, coverage must include benefits for all stages of reconstruction of the breast upon which the mastectomy was performed, surgery and reconstruction of the unaffected breast to produce a symmetrical appearance, and prostheses and treatment of physical complications at all stages of mastectomy, including lymphedemas in a manner determined in consultation with the attending physician and the patient.

Health insurers, health insuring corporations or health plan sponsors or plan administrators must provide notice to members or subscribers of these benefits at least annually. Additionally, health insurers, health insuring corporations or health plan sponsors or plan administrators should have provided initial notice to all members or subscribers of WHCRA benefits on or before January 1, 1999.

Health insurers and health insuring corporations are prohibited from denying eligibility to any new or current enrollee solely for the purpose of avoiding the requirements of WHCRA. Likewise, health insurers and health insuring corporations are prohibited from penalizing, reducing or limiting the reimbursement of providers, or providing incentives (monetary or otherwise) that would induce a provider to provide care to an enrollee in a manner inconsistent with WHCRA requirements. Nothing in WHCRA, however, prevents an insurer or health insuring corporation from negotiating the level and type of reimbursement with a provider for care under the WHCRA.


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