Congress of the United States Washington, DC 20515

October 18, 2012

The Honorable Hilda Solis Secretary U.S. Department of Labor 200 Constitution Ave, NW Washington, DC 20210

The Honorable Kathleen Sebelius Secretary U.S. Department of Health and Human Services 200 Independence Ave, SW Washington, DC 20201

The Honorable Timothy Geithner Secretary U.S. Department of the Treasury 1500 Pennsylvania Ave, NW Washington, DC 20220

Dear Secretaries Solis, Sebelius and Geithner:

We are writing to inquire regarding the status of implementation and enforcement of the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA).

We thank the Departments for releasing an Interim Final Rule in February of 2010 and subsequent sub-regulatory guidance. Unfortunately, because patients are still having trouble accessing mental health and addiction benefits, we urge the Departments to issue a final rule clarifying grey areas in the regulation and update Congress on the status of MHPAEA enforcement actions taken to date.

As healthcare costs rise, it is imperative we spend wisely. For example, illicit drug use costs America \$193 billion annually - over \$11 billion in health costs, \$61 billion in crime-related costs, and \$120 billion in lost workplace productivity. This far exceeds the annual direct and indirect costs of diabetes. In contrast, multiple studies have found \$1 invested in addiction treatment saves \$7, with the largest savings attributed to reduced crime and increased employer earnings. Only with full implementation and enforcement of MHPAEA will these savings be realized.

The Interim Final Rules released in February 2010 requested comments on areas such as "scope of service," thereby leaving these issues unresolved. Specifically, patients and providers consistently report that plans continue to: exclude non-hospital based mental health and addiction facilities from coverage; eliminate vital types and levels of mental health and addiction treatments while covering the full continuum of treatments for medical conditions; manage mental health and addiction benefits more stringently than the medical benefits covered by the plan, and refuse to disclose the criteria used to make denials on comparable medical benefits. At its core, MHPAEA is about achieving equity between behavioral and other medical benefits. Without requiring plans to disclose criteria used to make medical determinations, there is no

basis for compliance testing. We applaud the Administration for sub-regulatory guidance in this area and hope you will actively enforce it.

The Government Accountability Office (GAO) released a report on May 31, 2012, which found that plans have increased the number of exclusions for mental health and addiction treatments since MHPAEA was enacted. For example, in plan years 2010 and 2011, 15% of plans surveyed excluded residential mental health and addiction treatment. In comparison, in 2008, 11% of plans surveyed excluded residential treatment. The purpose of this law was to increase access to addiction and mental health treatments, not to reduce access.

We ask the Departments to provide written responses to the following issues:

- When do the Departments anticipate releasing final rules clarifying these outstanding regulatory issues?
- We also ask that the Departments provide an update on enforcement actions undertaken to date. While we understand voluntary compliance programs are often confidential, we ask that the Departments provide a report to us on enforcement actions the Departments have taken without disclosing specific plan names.
- Additionally, we understand guidance is forthcoming on the application of MHPAEA to Medicaid managed care plans. Can the Departments please advise regarding when such guidance may be released?

Again, we thank the Departments for steps taken to date to implement and enforce MHPAEA and we look forward to working with you to ensure that all Americans can fully access the benefits promised to them under the law.

Sincerely,

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