

Vermont mental parity law gets good review from U.S.

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MONTPELIER — Vermont's law requiring insurers to offer the same levels of mental health coverage as they do for physical health gets generally good reviews in a federal study.

Vermont has the most comprehensive mental health parity law in the country, and when it was enacted in 1998, business groups expressed concern that it would drive health insurance costs skyward.

A less comprehensive parity law is being considered in Congress, and in preparation for that debate, Sen. James Jeffords, I-Vt., requested a study from the Department of Health and Human Services on the results of the Vermont law.

The study by a division of HHS, the Substance Abuse and Mental Health Services Administration, found that mental health and substance abuse spending in Vermont fell by 8 to 18 percent in the first two years after the parity law was enacted.

But it found that at least some of those cost savings were attributable to the advent of managed care in Vermont, and said that the upshot was reduced access for patients to some services, particularly in-patient substance abuse treatment.

"Managed care for (mental health and substance abuse) services was an important factor in controlling costs following implementation of parity," the study said.

Overall, it said, "parity for (mental health and substance abuse) benefits was achieved in Vermont."

This was a major goal of mental health advocates who complained for years that offering fewer insurance benefits to patients with mental health than with physical health problems was discriminatory.

"Passing the parity bill was an enormous challenge, as was implementing the words into reality," said Ken Libertoff, executive director of the Vermont Association for Mental Health. "This report suggests that Vermont has taken a major step in ending the disparity and discrimination associated with mental health and substance abuse."

Jeffords issued a statement lauding the study's findings. "This study found that under the Vermont parity law more people were able to access more effective services, at lower costs to themselves, and at minimal cost to employers," he said.

"I am pleased that Vermont has proven to be a leader in this area and hope that it will serve as a model for the rest of the country," Jeffords added. "If health insurance is offered, then mental health should and must be treated equally."

Kate Sullivan, a spokeswoman at the U.S. Chamber of Commerce in Washington, disputed the report's findings. She said Vermont's parity law "has been a big drain on the availability of health coverage" in Vermont, adding that the lack of affordable health care "has become a real crisis for small business."

The study's authors surveyed Vermont business owners to get their perceptions on the parity law's impact on health insurance costs.

"Of the fully insured businesses reporting premium increases, one-third indicated the parity law was not a reason (for rising costs) and nearly half (47 percent) did not know whether parity was a contributing reason," the study said. "Only 12 percent indicated parity was a main or important reason, and the remaining 9 percent reported it was one of many reasons." □