

August 4, 2011

Mental health parity changes effective November 1, 2011

Effective November 1, 2011, several changes are being implemented to ensure products in Utah (both in the traditional market and on the Utah Health Exchange) are offered in strict compliance with federal mental health parity laws.

Changes for “hybrid” groups

A “hybrid” group is one that Utah state law regards as a small group (2-50) based on the number of **eligible** employees but that is defined as a large group (51+) under Federal law, based on the employer’s **total** number of employees.

A bill was recently passed that clarifies that hybrid groups offering mental health and chemical dependency (MH/CD) benefits must offer them in accordance with federal mental health parity guidelines. These guidelines state that MH/CD benefits must be on par with the medical/surgical benefits offered.

Upon renewal, hybrid groups may select one of two options to bring them into compliance with federal mental health parity laws:

- Offer federal mental health parity, or
- Opt-out of offering mental health benefits altogether

Changes for 2-50 (non-hybrid) groups

- The 50% catastrophic (no limits) rider will no longer be an option for new and existing groups. At renewal, groups with this rider will be sold over to the federal mental health parity rider, regardless of size.
- New and renewing non-hybrid groups will be able to select from the following MH/CD options:
 - Offer federal mental health parity,
 - Opt-out of offering mental health benefits altogether, or
 - Offer 50% coinsurance with a combined maximum of 8 inpatient days/12 outpatient visits per calendar year

Changes for all groups (hybrid and non-hybrid)

- For any group that opts for the Expanded Office Services benefit, the deductible will be waived for outpatient MH/CD.
- The NetCare options are being changed from limited visits to unlimited. The products will have federal mental health parity as an embedded benefit. The groups that employ 50 or fewer employees will have the unlimited mental health parity option.



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Determining “true size” of groups

To determine the true size of new groups for federal and state law, the Group Master Application (GMA) will be updated to capture this information. To determine the true size of renewing groups, this flyer [{click here}](#) will be attached to each renewal, requesting the group to confirm the number of eligible employees and the total number of employees. In the future we will be sending out a letter requesting the total and eligible number of employees six months prior to the group’s renewal.

A new required field has been added to our new group quoting screens called “Average Employee Count.” This field also appears on our renewals, but is filled in by our Underwriting Department. If you have a community rated group (2-50) with an average employee count >50, the system will only offer “None” or Mental Health with parity to your group. Your 2-50 groups that are not hybrid will now be able to elect “none”, “50/50 with limits”, or Mental Health Parity.

For more information, please contact your Regence Sales Representative.