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# FEHB Program Carrier Letter

## All Carriers

U.S. Office of Personnel Management  
Insurance Services Programs

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**Letter No. 2008 -17**

**Date:** November 10, 2008

Fee-for-service [ 12 ]    Experience-rated HMO [ 12 ]    Community-rated HMO [ 13 ]

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**SUBJECT: Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 – Federal Employees Health Benefits Program Carrier Guidance**

On October 3, President George W. Bush signed the *Emergency Economic Stabilization Act of 2008*. Subtitle B of that Act, entitled the “Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008” affects the Federal Employees Health Benefits (FEHB) Program through its requirement that group health plans offer mental health parity for out-of-network benefits. If a plan provides both medical and surgical benefits and mental health or substance use disorder benefits and it provides coverage for out-of-network providers for medical or surgical benefits, the plan must also provide mental health or substance use disorder benefits for out-of-network providers. The law also requires plans to make information available to current or potential enrollees or contracting providers upon request, about the criteria used for making medical necessity determinations related to mental health and substance use disorder benefits. The reason for any denial of benefits, reimbursement, or payment for services must also be made available to enrollees upon request.

Since 2001, the FEHB Program has been a leader for mental health and substance use benefits parity. At that time, we carefully considered how to implement mental health parity without significantly increasing premiums or reducing other benefits. We determined we could meet our objective by offering parity on an in-network basis and by using managed care programs to ensure access to appropriate provider networks and to keep cost increases to a minimum. Your provider networks and care management programs have been essential in making cost effective benefits available while maintaining quality and access to appropriate providers. In fact, one of the findings from the FEHB parity study conducted by the U.S. Department of Health and Human Services was that, following parity implementation, enrollee access to mental health and substance use disorder benefits increased while lowering enrollee out-of-pocket costs.

Beginning January 1, 2010, FEHB plans will be required to apply the same financial requirements (coinsurance, co-payments, deductibles and out-of-pocket maximums) and treatment limitations (visit and day limits) to both out-of-network medical and surgical benefits and out-of-network mental health and substance use disorder benefits. We will also expect all FEHB plans, including fee-for-service, point-of-service, high deductible, or consumer driven health plans, that offer out-of-network medical or surgical benefits to provide enrollees the option of using non-network mental health and substance use disorder providers at parity benefit

levels. HMOs may continue to limit services to network providers (except in emergencies), unless the HMO has a point-of-service option. We anticipate your parity benefits will likely encompass an appropriate care-management structure so that you can expand parity to out-of-network benefits cost-effectively.

Please keep in mind when assigning financial requirements and treatment limits for out-of-network mental health and substance use disorder benefits, any such requirements and limits should be the same as for medical and surgical benefits. Under no circumstances may treatment limits or financial requirements applied to mental health and substance use disorder benefits be more restrictive than those applied to medical and surgical benefits.

The overriding goal of parity is to increase enrollee insurance protection by equalizing the financial requirements and treatment limits for mental health and substance use disorder benefits with those that apply to medical and surgical benefits. Based on your experience implementing in-network parity, you have demonstrated that you can deliver parity coverage cost effectively in a coordinated managed behavioral health environment. We look forward to continuing our work with you during 2009 to implement this parity legislation.

If you have any questions regarding the legislation, please contact your contracting officer representative or Michael Kaszynski, Senior Policy Analyst, Strategic Human Resources Policy, at [Michael.Kaszynski@opm.gov](mailto:Michael.Kaszynski@opm.gov).

Sincerely,

Kay T. Ely  
Associate Director  
Human Resources Products and Services