

From: David Rodeback [mailto:DRodeback@dmba.com]
Sent: Friday, April 30, 2010 6:50 PM
To: EBSA, E-OHPSCA - EBSA; David Call
Subject: Interim parity regulations

April 30, 2010

Amy Turner
Benefits Security Administration,
Department of Labor
Cc: Interim Final Rules (Mental Health Parity)
RIN 1210-AB30

Dear Amy Turner,

We believe that there are unintended consequences from the application of the mathematical formula for determining “substantially all” medical surgical cost’s in our commercial plans. We were surprised that commercial medical/surgical plans with 80% cost sharing methods could be held to a standard that declares that they fail to prove that they have substantial cost sharing. And that this failure would require that no cost sharing could be applied to Mental Health services.

The mathematical formula contained in the regulations does not take into account categories of benefits that have both co-insurance and co-payment provisions. This lack of insight has resulted in a prohibition of cost sharing to mental health services, essentially making mental health services free to participants while medical benefits have a participant cost.

This can be demonstrated by an example from our plans;

- Outpatient in-network medical surgical total costs equal \$184 per member per month.
- 15% of these costs have a co-payment associated with them.
- 65% of these costs have a co-insurance associated with them.
- As a result, neither copayments nor coinsurance meet the 2/3 rule for the “substantially all.” requirement.

In conclusion, the definition of total medical/surgical costs as applied separately to different cost sharing methods creates an inaccurate description of cost sharing imposed on the medical/surgical services. It would be our contention that this process creates an inequity that exceeds the intention of the Act and violates the paradigm of parity between medical/surgical and mental health services. In that this scenario will impact more

insurers than just Deseret Healthcare it would be recommend that further consideration be given concerning the directions of how to apply the “substantially all” rule to plans with more than one cost sharing method per category.

Sincerely,

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