



MASSACHUSETTS

June 2010

Dear Valued Customer:

As reported in the March IAI, more than a year after the enactment of the Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA), the Departments of Labor, Health and Human Services, and Treasury issued the Interim Final Rule (the Rule) on February 2, 2010. Generally, the Rule prohibits group health plans from applying financial requirements or treatment limitations to mental health or substance use disorder benefits that are more restrictive than financial requirements or treatment limitations placed on medical and surgical benefits.

Beginning July 1, 2010, the Rule will be fully applied to new sales and on renewals for both insured and self-insured accounts and employer groups with more than 50 employees. Among its many requirements, the Rule outlines two specific tests that are applied to determine parity. Further, the Rule separates out three categories that require detailed analysis: quantitative treatment limitations, financial requirements, and non-quantitative treatment limitation.

As a self-insured plan sponsor, you are responsible for ensuring your compliance by the July 1, 2010 compliance requirement. We recognize the urgency of this matter and are committed to assisting you in evaluating your plan. If you wish to conduct your own testing, we can make necessary data available to you. We also expect to make actuarial support available for testing for a fee.

In the meantime, you may wish to consider the following options while you determine your plan's compliance status, and if necessary, any changes you might want to make to your plan:

- Paying claims on a business as usual basis
- Going to a zero copayment level for outpatient mental health and substance use visits effective July 1, 2010, which is the approach Blue Cross Blue Shield of Massachusetts is using for fully insured accounts

Accounts with a collective bargaining arrangement that was in effect as of October 3, 2008 may be able to defer implementation until the collective bargaining arrangement terminates.

Your account executive will be contacting you over the next several days to discuss your particular situation and how we may assist you in determining a course of action. In the meantime, please notify your account executive in writing regarding how you would like us to proceed as of July 9, 2010.

As always, keeping you informed about updates to our plans to support you in making important benefit decisions is a top priority. If you have any questions or comments, please contact your account executive.

Sincerely,

Timothy J. O'Brien
Senior Vice President
Sales Division