PhRMA

May 3, 2010

The Honorable Timothy Geithner
Secretary, U.S. Department of Treasury

The Honorable Kathleen Sebelius
Secretary, U.S. Department of Health and Human Services

The Honorable Hilda Solis
Secretary, U.S. Department of Labor

By Electronic Mail

Re: Comments on the Interim Final Rules Under the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 CMS-4140-IFC

Dear Mr. and Mmes. Secretary:

The Pharmaceutical Research and Manufacturers of America (PhRMA) is pleased to submit comments on the interim final rules (CMS-4140-IFC) implementing the Mental Health Parity and Addiction Equity Act of 2008 (P.L. 110-343). PhRMA is a voluntary, non-profit organization representing the nation's leading research-based pharmaceutical and biotechnology companies who are devoted to inventing medicines – including medicines to treat mental health and substance abuse disorders – that allow patients to lead longer, healthier, and more productive lives.

America's pharmaceutical research companies are currently developing over 300 medicines to help the nearly 60 million Americans suffering from some form of mental illness. New medicines in the research and development pipeline offer hope in reducing the human and economic cost of mental illness.

PhRMA is pleased to support the interim final rules implementing the Mental Health Parity and Addiction Equity Act (MHPAEA). Effective implementation of MHPAEA holds promise in providing greater financial and health security to Americans with group health insurance.

The MHPAEA – which prohibits group health plans and group health insurance issuers from imposing financial requirements or treatment limitations for mental health/substance abuse disorder benefits that are more restrictive than those applied to medical/surgical benefits – can reduce barriers to needed care. Currently, coverage for mental health services under most group health insurance arrangements is less generous than coverage for medical and surgical services. Mental health coverage tends to include higher cost-sharing and more treatment limits, such as day and visit limits, than medical/surgical benefits. Therefore, patients with serious mental health illnesses face substantial out of pocket costs and significant barriers to medically necessary and appropriate care, based on their type of illness.

PhRMA supports the legislation, as enacted, and the resulting interim final rules that require insurance parity between mental health/substance abuse benefits and medical/surgical benefits. Specifically, we support the requirements in the interim final rules to assure that parity requirements generally apply to non-quantitative treatment limitations. This type of limitation – including prior authorization, medical management standards, fail first and step therapy requirements, formulary standards for prescription drugs, and similar requirements – often is less visible to patients than other types of limitations in benefits (e.g. limits on number of outpatient mental health visits) and can pose barriers to needed mental health care. We support the interim final rules applying parity requirements to these types of non-quantitative treatment limitations.

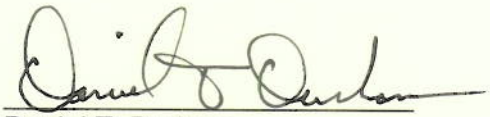
PhRMA also supports the interim final rules' provisions affecting benefit design, including barring separate deductibles or separate annual out-of-pocket limits for mental health and substance abuse disorder benefits. Prohibiting separate deductibles and other cumulative financial requirements can play an important role in helping to reduce unnecessary barriers to needed mental health services.

Finally, PhRMA supports the interim final rules' provision that would require plans to use "generally recognized independent standards of current medical practice" for defining mental health benefits. We believe the interim final rules strike the appropriate balance in assuring that benefit classifications comply with the law's parity requirements and providing health plans with flexibility to define mental health benefits based on independent standards, including the current version of the Diagnostic and Statistical Manual of Mental Disorders, the current version of the International Classification of Diseases, or a State guideline.

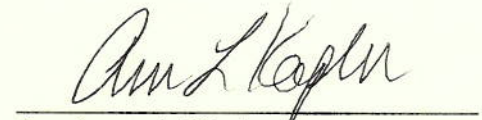
The Mental Health Parity and Addiction Equity Act of 2008 and the interim final rules represent advances in coverage and access to care for millions of patients suffering from mental health and substance abuse disorders.

We appreciate your consideration of these issues. Please feel free to contact either one of us at 202-835-3400 with any questions.

Sincerely,



Daniel T. Durham
Vice President, Policy



Ann Leopold Kaplan
Vice President and Deputy General Counsel