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Oregon and Federal Mental Health Parity Laws

Oregon has one of the strongest mental health and chemical dependency parity (equivalency) laws in the country. Passed by the 2005 Oregon Legislature, Oregon's mental health parity law requires group health insurance policies to cover expenses arising from treatment for chemical dependency and for mental or nervous conditions at the same level and with no more restrictions than those imposed for other medical conditions.

On Oct. 3, 2008, President Bush signed a federal mental health parity bill, the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008. The legislation applies to all group health plans with 51 or more employees, including self-insured employer plans.

The new federal law does not preempt state laws. Because Oregon's parity law is broader than the federal law, group health plans in Oregon must still meet the state's stricter requirements. Oregon's law, however, does not cover self-insured employer health plans, so an additional 570,000 Oregonians in these health plans will receive mental health parity coverage under the new federal law.

Significant differences between Oregon law and federal law:

- Oregon's mental health parity law is stronger than the federal law because it requires coverage for all chemical dependency and mental health conditions defined in the "Diagnostic and Statistical Manual of Mental Disorders," published by the American Psychiatric Association, with limited exceptions. The federal legislation imposes no requirement as to what conditions health plans must cover. For the mental health and substance-use conditions health plans do cover, they must provide the same coverage as they do for other medical conditions.
- The federal legislation includes a cost exemption that allows a health plan to be exempted from the federal parity law if it can prove that parity is raising its total plan costs by more than 2 percent in the first year and 1 percent thereafter. Plans must first implement parity for at least six months before requesting the exemption. The Oregon law does not include a cost exemption.

For more information:

Call the Department of Consumer and Business Services Insurance Division's Consumer Advocacy Unit at 503-947-7984 or toll-free 888-877-4894.

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