

Parity Implementation

Grants for States to Implement New Federal Parity Requirements

In 2017 and 2018, 20 state insurance departments received grants from CCIIO to implement consumer protections under the Public Health Service Act (PHSA). The bulk of this grant funding went towards implementing the Mental Health Parity and Addiction Equity Act (MHPAEA). In fact, it was this grant funding that jumpstarted the surge in parity enforcement by state insurance departments that has revealed numerous instances of noncompliance. The money used for these grants came from funds appropriated under Section 2794 of the PHSA in 2010 ([42 U.S.C. 300gg-94\(c\)\(2\)](#)).

Of the original \$250 million appropriated, there is still \$23.7 million available. This money is currently being disbursed by CCIIO in another [cycle of grant funding](#) to states, but it CANNOT be used for parity implementation; it can only be used for implementing sections 2702, 2703, and 2707 of the PHSA (see page 5 of the link).

Given that Congress just gave states new authority to request comparative analyses from issuers, we are proposing that **Section 2794 be amended to add additional funding to states** for the purpose of requesting and reviewing the comparative analyses. Reviewing these analyses can be time and labor intensive and many state insurance departments do not currently have adequate internal funding to implement the new federal requirements. Our proposal is worded so that a state is only eligible for this funding if it requests and reviews the analyses.