

Here's an excerpt from an analysis we did for the State of Washington in 2007 regarding the projected cost impact of parity on small group and individual plans.

## Findings

.. Our estimates indicate that the Parity Coalition's proposed mental health parity legislation will increase per capita health insurance premiums of "typical" **small group plans** in Washington State ranging from 0.8% to 0.9%, with a composite increase in premiums of **0.9%**, if no increase in utilization management activities occurs as a result of the mandated benefits (Baseline Scenario).

.. Our estimates indicate that the expected mental health parity legislation will increase per capita health insurance premiums of "typical" **individual plans** in Washington State ranging from 1.4% to 1.5%, with a composite increase in premiums of **1.5%**, if no increase in utilization management activities occurs as a result of the mandated benefits (Baseline Scenario).

.. Under an increased utilization management scenario, where certain insured benefit plans choose to further tighten their degree of mental health care management, our cost estimates result in an aggregate premium increase for small group plans of **0.5%** and **1.2%** for individual plans.

.. *Since some health plans will increase their utilization management while others will not, the actual premium increases will likely fall **between 0.5% and 0.9% for small group plans** and **between 1.2% and 1.5% for individual plans**.*



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