

H.R. 7539, Strengthening Behavioral Health Parity Act

As ordered reported by the House Committee on Energy and Commerce on July 15, 2020

By Fiscal Year, Millions of Dollars	2021	2021-2025	2021-2030
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	*	1	not estimated
Statutory pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Under Threshold
* = between zero and \$500,000.			

H.R. 7539 would require the Secretaries of the Departments of Labor (DOL), Health and Human Services (HHS), and Treasury to request a minimum of 20 comparative analyses per year from health insurance plans. The analyses would include potential violations of parity requirements between medical and mental health and substance abuse services and would involve potential noncompliance with nonquantitative treatment limitations (NQTLs). NQTLs are practices such as prior authorization, medical management standards, step therapy, and prescription drug formulary design. H.R. 7539 also would require the Secretaries to include a summary of the comparative analyses in a report to the Congress each year and to include examples of noncompliance found through those investigations in program guidance that is issued every two years.

Under current law, DOL, HHS and Treasury jointly enforce mental health parity requirements, including analyzing potential violations of NQTLs. Because H.R. 7539 would largely codify existing practices, CBO estimates that the bill would not affect direct spending or revenues.

Based on the cost of similar reporting requirements, CBO estimates that implementing the new activities required under H.R. 7539 would cost less than \$1 million over the 2021-2025 period; such spending would be subject to the availability of appropriated funds.



The requirement to perform comparative analyses would be a private-sector mandate as defined in the Unfunded Mandates Reform Act (UMRA). The duty would apply only to plans that offer mental health or substance use disorder benefits in addition to medical and surgical benefits and that impose NQTLs on those benefits. Because the duty would require analytical and reporting activities based on information already available to the covered insurance plans, CBO estimates that the cost of the mandate would not exceed the private-sector threshold established in UMRA (\$168 million in 2020, adjusted annually for inflation). The bill contains no intergovernmental mandates.

The CBO staff contacts for this estimate are Carolyn Ugolino (for federal costs) and Andrew Laughlin (for mandates). The estimate was reviewed by Leo Lex, Deputy Director of Budget Analysis.