



AMERICAN BENEFITS COUNCIL

July 16, 2007

The Honorable George Miller
The Honorable Howard McKeon
The Honorable Robert Andrews
The Honorable John Kline
Committee on Education and Labor
United States House of Representatives
Washington, DC 20515

Dear Chairmen Miller and Andrews and Ranking Members McKeon and Kline:

Later this week, the House Committee on Education and Labor will meet to mark-up the Paul Wellstone Mental Health and Addiction Equity Act, H.R. 1424. When it considers H.R. 1424, the American Benefits Council, representing major employers and other organizations that collectively sponsor and administer health and retirement benefits plans covering more than 100 million Americans, urges the Committee to support a substitute amendment to be offered by Representative Kline which would use the Senate's mental health parity measure, S. 558 as a substitute for H.R. 1424.

The Senate's bipartisan mental health parity bill was carefully crafted through a balanced process that gave all of the major stakeholders on this issue the opportunity to have their priority concerns addressed. Unlike the House parity bill, S. 558 does not mandate specific benefits that employers or health plans must cover, makes clear that the medical management of these important benefits may not be prohibited and preserves flexibility in the formation of networks of providers for these services. These provisions are vitally important because they allow employers to design and manage the health coverage they offer to best meet their employees' needs.

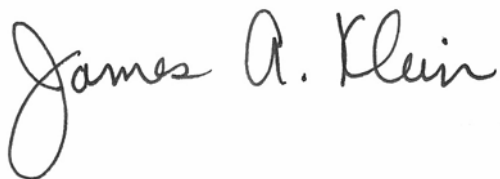
Finally and most importantly, several key provisions of S.558 are intended to ensure uniformity between the new federal parity requirements and those established by the states, while maintaining the traditional role of the states to regulate the business of health insurance in all other respects. Major, multi-state

employers, in particular, rely upon the uniform federal framework established by the Employee Retirement Income Security Act (ERISA). S. 558 recognizes that if achieving mental health parity is important enough to warrant Congressional action, then the standard articulated by federal law is the one that should apply uniformly. States should not be encouraged or permitted to enact a confusing patchwork of state parity requirements that would treat individuals differently depending upon where they live and work, and that would create extraordinary and unnecessary challenges for employers and health plans. It is crucial that the ERISA uniform federal framework not be eroded.

The American Benefits Council's members highly value and have long recognized the importance of effective health coverage for the treatment of both physical and behavioral conditions. Indeed, because of the importance our members place on these services we have repeatedly urged that current federal parity standards not be expanded in a way that would add to plan costs or increase the complexity of plan administration. Doing so could unintentionally risk a reduction in coverage for these or other benefits provided to employees and their families.

Again, we urge you to support Representative Kline's amendment to offer the Senate's mental health parity bill as a substitute for H.R. 1424. Thank you for your consideration of this important issue.

Sincerely,

A handwritten signature in cursive script that reads "James A. Klein". The signature is written in black ink and is positioned below the word "Sincerely,".

James A. Klein
President