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Karen Ignagni
President and CEO
America's Health Insurance Plans
601 Pennsylvania Avenue, NW
South Building, Suite 500
Washington, DC 20004

RE: Failure of Health Insurance Carriers to Comply With Massachusetts Laws
Requiring Coverage for Mental Health Benefits and Other Mandated Benefits

Dear Ms. Ignagni,

I write to express my serious concern that many national health insurance carriers are failing to comply with Massachusetts laws requiring coverage of necessary mental health services.¹ Every carrier offering fully insured "health benefit plans," as that term is defined by M.G.L. c. 176J, to Massachusetts residents and employers must comply with the law and cover these important mandated benefits.

Unfortunately, time after time, my office has identified national carriers that have issued health benefit plans that failed to cover mental health services among other alleged violations of Massachusetts law. Just this past week, my office filed a consent judgment to settle allegations that United States Fire Insurance Company (U.S. Fire) sold health insurance policies to Massachusetts consumers that failed to cover services required by Massachusetts law, including mental health, maternity care, "pap" test screening, mammography, and preventive care for children up to age six.² The settlement with U.S. Fire is one of twelve consent judgments my

¹ See, e.g., M.G.L. c. 175, § 47B, which requires health plans to offer, among other things, "mental health benefits on a nondiscriminatory basis to residents of the commonwealth and to all policyholders having a principal place of employment in the commonwealth for the diagnosis and treatment of the following biologically-based mental disorders, as described in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association, referred to in this section as the DSM: (1) schizophrenia; (2) schizoaffective disorder; (3) major depressive disorder; (4) bipolar disorder; (5) paranoia and other psychotic disorders; (6) obsessive-compulsive disorder; (7) panic disorder; (8) delirium and dementia; (9) affective disorders; (10) eating disorders; (11) post traumatic stress disorder; (12) substance abuse disorders; and (13) autism."

² See, e.g., M.G.L. c. 175, §§ 47B, 47C, 47F, and 47G

office has entered since 2007 against carriers we alleged failed to cover mandated health benefits.³ Seven of those consent judgments, including this week's consent judgment with U.S. Fire, related to allegations that the carrier had failed to cover mental health services. As a result of these enforcement actions, health insurance carriers have been required to pay to the Commonwealth more than \$2.6 million as deterrent/penalties payments and pay to consumers for unpaid claims and premium refunds amounts estimated to exceed \$2.7 million.

I will continue to pursue enforcement actions against health insurance carriers that fail to comply with Massachusetts law because these services, including mental health services, are critically important. Failure to provide coverage of important mandated mental health benefits has a severe and detrimental impact on individuals who need those services, their families, and even their communities. There are millions of people and families dealing with the effects of mental illness across our country. According to the National Institute on Mental Health, one in four adults suffers from a diagnosable mental disorder in any given year. Serious mental illness, defined as resulting in serious functional impairment, which substantially limits one or more major life activities, affects 1 in 17 people. The challenges faced by our servicemembers and veterans are a particular concern with studies showing that 20 percent of returning Iraq and Afghanistan veterans report symptoms of post-traumatic stress disorder or major depression. Left untreated, we know these disorders can be devastating to people's abilities to work, go to school, interact with their families, develop and maintain relationships, and lead normal lives.

Mental health care is as necessary to the proper treatment of many patients as physical health care. While our focus is on ensuring that carriers are offering legally mandated behavioral health coverage in Massachusetts, I also believe mental health services should be offered as part of basic health coverage to veterans and millions of Americans across the country.

Because America's Health Insurance Plans (AHIP) is the trade association representing health insurance carriers, I urge AHIP to communicate to AHIP's members about Massachusetts law, as a matter of each carrier's legal obligation, competitive fairness, and, most importantly, individual consumer rights. My office will continue to take appropriate actions to ensure that health insurance carriers offering health benefit plans in Massachusetts are all meeting their legal obligations to cover mental health services and other mandated benefits. I ask AHIP to contact Tom O'Brien, Chief of the Health Care Division in my office at 617-963-2455, by May 21, to discuss the steps the Association will take to help ensure its membership's compliance with Massachusetts law.

Cordially,



Martha Coakley

cc: Joe Miller, General Counsel, AHIP

³ Other carriers that have entered into consent judgments include: Aetna Life Ins. Co.; Continental American Ins. Co.; Life Ins. Co. of North America; Mid-West National Life Ins. Co. of Tennessee; Pan-American Life Ins. Co.; The Guardian Life Ins. Co. of America; The MEGA Life and Health Ins. Co.; Time Ins. Co.; The United States Life Ins. Co. in the City of New York; Transamerica Life Ins. Co.; and Union Security Ins. Co.