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I am providing written comments regarding the proposed rules for Mental Health Parity.

My name is Don Fowls MD, and I am a member, past President, and current Government Relations Committee Chair for the Arizona Psychiatric Society. My background is in practicing internal medical for two years and then psychiatry for ten years, serving in senior leadership roles for three managed care companies, and more recently consulting for managed care and provider based organizations.

Mental Health Parity has been the federal law of the land for some time. In 2020 Jake's law was passed in the State Legislature and signed by Governor Ducey. This law supports implementing parity on the State level and charges the Department of Insurance and Financial Institutions (DIFI) with adopting rules to implement the law. I have carefully reviewed the proposed rules and fully support them.

Mental health has always been important for everyone's health and well-being. Historically insurance benefits for mental health have not been on par with physical health. In fact they have lagged far behind. More recently, as the health community has recognized the importance of mental health, including its significant impact on physical health, this has been changing. But it still has a long way to go, and for many years mental health benefits were usually substantially less than physical health. The federal Parity Law was enacted to correct this.

Recent events have elevated the importance of mental health issues for all of us. Pre-COVID, our nation and State faced, and continues to face, a major opioid crisis and increasing suicide rates especially among youth. COVID has intensified mental health issues in requiring social isolation, creating even more stress for many individuals and families. In the past, mental health problems could be seen as "someone else's problem." But today these three factors plus others have changed all of that. Now most of us have someone in our families or among our friends and community who has had mental health problems. No longer are these "someone else's problems," they are our problems and affect us all.

We are thus challenged to find new solutions. No one person has all the answers, and it will be essential for different voices to be heard and participate. Effective solutions will also require collaboration among parties that may not always have seen eye to eye in the past. But we cannot afford past parochialisms: this is not a provider vs managed care, Republican or Democrat, or any other us vs them problem. This is our problem, these issues affect us all. We are indeed in this together, and we will need all of us working together to find solutions and make this better.

One effective part of the solution has been the creation of workgroups or advisory committees comprised of different types of organizations who meet regularly with the shared goal of finding shared

solutions. They have found ways of integrating their separate interests in win-win solutions and rising above considering only their individual needs. One example is the work group initiated last year by then Senator Kate Brophy-McGee that included representatives from health plans and provider organizations to address parity. Another recent example is the creation of an advisory committee comprised of diverse interests, including insurers and providers, to advise DIFI on parity. These types of collaborative efforts are necessary if we are going to solve a problem that affects us all.

Another part of the solution are the rules and reporting requirements proposed by DIFI that insurers complete to demonstrate compliance with the Federal Parity Law. These rules are not intended to be burdensome or punitive. Rather they seek to document how well we as a State are performing with respect to parity and identify any areas for improvement. They provide a level of transparency that is needed if we are going to implement parity and make it real. They help facilitate compliance by providing clear, definitive methods of reporting that we can all see, understand and respond to.

Having been in the insurance industry, one of my first questions was how onerous will the rules be? Will they add significant administrative burden to an industry already burdened by administrative requirements? In reviewing the rules in detail, I have concluded that, while they create some additional work, the rules are not overly burdensome.

At first glance the rules with their worksheets looked overwhelming and complicated. But on further review they have a logic flow that recurs throughout and makes the forms much easier to complete than initially thought. Much of the information requested is also already available in the insurance organizations, and it would not be too difficult to transfer this information onto the forms.

Based on the experience in other states, the forms take about 40 – 50 hours to complete, certainly no more than 90 – 100 hours. From an expense perspective, let us assume it would take a health plan professional paid roughly in the neighborhood of \$150,000 – and that seems a generous number for this task – to complete the worksheets. If one person at this salary worked 40 hours to complete the worksheets and report, that would result in \$3,000 in cost. If two similarly salaried people worked 80 hours to complete the tasks, the resultant cost would be \$12,000. These staff will invariably have to request information from other departments, and there may be a need to obtain some consulting help. Even with this, the costs should not exceed \$30,000 - \$50,000. At the very, very highest range the cost might reach \$100,000, though this is hard to believe.

These are significant dollars to be sure, but they pale in comparison with the several hundred million to several billion dollars in revenue health plans receive annually. This seems a relatively small price for a task that is very important investment for all. And it should be noted much of the work required to meet the standards of the proposed rules is now already required under the new federal parity comparative analysis statute. Therefore, the actual cost attributable to these rules should be minimal.

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The American Psychiatric Association has offered health plans assistance in implementing the parity documentation requirements, and the Arizona Psychiatric Society stand ready to assist as well. We do not see this just as an insurance industry matter, but a much larger matter that is ours as well.

In short, mental health has become an important issue for almost everyone. The Mental Health Parity Law was enacted to help ensure people had access to needed mental health care and the benefits to help pay for it. We as a State have come a long way with regard to mental health care and benefits. We still have a ways to go, and approval of these rules proposed by DIFI will help us all take one more important step in getting there.

Respectfully submitted,

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