



June 12, 2007

The Honorable Edward M. Kennedy
The Honorable Michael B. Enzi
The Honorable Pete V. Domenici
United States Senate
Washington, DC 20510

Dear Chairman Kennedy, Senator Enzi and Senator Domenici:

The Senate will soon consider the managers' amendment to the bipartisan Mental Health Parity Act of 2007, S. 558, which includes several important clarifications to the version of this legislation previously approved by the Senate Health, Education, Labor and Pensions Committee in February 2007. When the managers' amendment to S. 558 is considered by the Senate, the American Benefits Council, representing major employers and other organizations that collectively sponsor and administer health and retirement benefit plans covering more than 100 million Americans, urges that this carefully crafted amendment be adopted and that S. 558 be approved without further changes.

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.

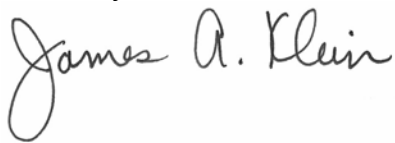
Under your joint leadership, S. 558 and the proposed managers' amendment were developed through a balanced and thoughtful process that has given all of the major stakeholders on this issue the opportunity to have their priority concerns addressed. While this process has been demanding and required careful attention to differing needs, we believe that it also been effective and can serve as a model for resolving similarly challenging health policy issues in the future.

We believe that it is particularly important that, unlike previous parity measures considered by the Senate or the parity bill which has been introduced in the House of Representatives, your proposal does not mandate the specific benefits that employers or health plans must cover. In addition, your legislation includes a clear standard that the medical management of these important benefits may not be prohibited and preserves flexibility for employers and health plans in the formation of networks of health care providers for these services. These provisions are vitally important because they allow employers to design and manage the health coverage they offer to meet their employees' needs.

Finally, and most importantly, several of the key provisions of your proposal 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). It is crucial that this framework not be eroded.

Because your proposal was developed through an inclusive process and was carefully crafted to ensure vital protections such as those described above, we again urge that no further amendments be made as your legislation is considered further by the Senate or in any future conference with the House. We thank you for your leadership in taking a fresh approach to resolving this difficult and important issue and we look forward to continuing to work closely with you as this legislation proceeds through Congress this year.

Sincerely,

A handwritten signature in cursive script that reads "James A. Klein". The signature is written in black ink and is positioned above the printed name and title.

James A. Klein
President