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The Company You Keep[®]

New York Life Insurance Company

September 17, 1996

Lee M. Gammill, Jr., CLU
Vice Chairman

Mr. Haley Barbour
Chairman
Republican National Committee
310 First Street, SE
Washington, DC 20003

CH
FM - Jim La...
EP - Bruce La...
La...
La...

Dear Haley,

As a Team 100 member, I am seeking your help in sharing our grave concerns with Republican leadership regarding the Senate's federal mental health parity mandate (attached to the VA/HUD appropriations bill). We at New York Life are opposed to this provision which will not increase mental health coverage and will decrease affordability of health care in general.

Republicans successfully fought President Clinton's 1993 health care reform proposal which contained numerous federally mandated requirements and benefits. Now these mandates are being considered piecemeal. I am hopeful that a Republican-controlled Congress will once again fight these proposals and resist the urge to let government determine what health benefits an employer should offer to its employees.

We support coverage of mental health benefits. However, mandating mental health parity will not increase coverage of mental health benefits. In Senator Domenici's amendment, mental health parity is only required if any type of mental health benefit is offered. Because of the cost, it is very probable that mental health benefits will be dropped entirely from plans, with the result that mental health coverage is less frequently available. Those plans that do offer mental health coverage will be vulnerable to adverse selection, creating an upward premium trend for those plans.

This mandate has not been properly considered through the Congressional legislative process. No hearings have been held in the House or Senate. Committees of jurisdiction have not had time to review the practical effects of this provision, markup legislation, and consider amendments. This mandate is not well developed as was the recent Health Insurance Reform legislation which matured over several years. It would be a severe mistake to pass this mandate at this time.

We will be calling you to discuss this. In addition, a letter from the Citizens for a Sound Economy and an article from Investors Business Daily are enclosed for your reference. Please call me or Mary Moore Hamrick at _____ if you have any questions.

Sincerely,

Enclosures

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