

118TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

To provide for civil monetary penalties for violations of mental health parity requirements.

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IN THE SENATE OF THE UNITED STATES

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Mr. MURPHY introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

To provide for civil monetary penalties for violations of mental health parity requirements.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Parity Enforcement  
5 Act of 2024”.

6 **SEC. 2. LIABILITY FOR, ENFORCEMENT OF, AND CIVIL MON-**  
7 **ETARY PENALTIES FOR PARITY VIOLATIONS.**

8 (a) PHISA.—

1           (1) IN GENERAL.—Section 2726(a) of the Pub-  
2       lic Health Service Act (42 U.S.C. 300gg–26(a)) is  
3       amended by adding at the end the following:

4           “(9) SERVICE PROVIDER LIABILITY.—In the  
5       case of a violation of this section by a group health  
6       plan or a health insurance issuer offering group or  
7       individual health insurance coverage—

8           “(A) a plan sponsor or a service provider<sup>1</sup>,  
9       including any third party administrator, man-  
10      aged behavioral health organization, or entity  
11      providing pharmacy benefit management serv-  
12      ices,<sup>2</sup> of such plan or coverage that causes or  
13      contributes to such violation shall also be liable  
14      for such violation; and

15          “(B) the Secretary shall have the discre-  
16      tion to determine the percentage of liability of  
17      between the plan, issuer, sponsor, and service  
18      provider, as applicable.”.

19          (2) ENFORCEMENT.—Section 2723 of the Pub-  
20      lic Health Service Act (42 U.S.C. 300gg–22) is  
21      amended—

22          (A) in subsection (a)—

23              (i) in paragraph (1), by adding at the  
24              end the following: “In the case of the re-  
25              quirements of subsection (a) of section

1           2726 with respect to parity in mental  
2           health and substance use disorder benefits,  
3           each State may require that plan sponsors  
4           or service providers, including any third  
5           party administrator, managed behavioral  
6           health organization, or entity providing  
7           pharmacy benefit management services, of  
8           such coverage meet such requirements.”;  
9           and

10                   (ii) in paragraph (2), by inserting “,  
11           plan sponsors, or service providers, includ-  
12           ing any third party administrator, man-  
13           aged behavioral health organization, or en-  
14           tity providing pharmacy benefit manage-  
15           ment services,” after “health insurance  
16           issuers”; and

17           (B) in subsection (b)(3)—

18                   (i) in the heading, by striking “GE-  
19           NETIC INFORMATION” and inserting “GE-  
20           NETIC INFORMATION AND PARITY IN MEN-  
21           TAL HEALTH AND SUBSTANCE USE DIS-  
22           ORDER BENEFITS”; and

23                   (ii) in subparagraph (A), by striking  
24           “any failure” and all that follows through  
25           “in connection with the plan.” and insert-

1           ing the following: “any failure of a health  
2           insurance issuer or a plan sponsor or any  
3           participation in such failure by a service  
4           provider, including any third party admin-  
5           istrator, managed behavioral health organi-  
6           zation, or entity providing pharmacy ben-  
7           efit management services, in connection  
8           with a group health plan—

9                   “(i) to meet the requirements of sub-  
10                  section (a)(1)(F), (b)(3), (c), or (d) of sec-  
11                  tion 2702 or section 2701 or 2702(b)(1)  
12                  with respect to genetic information; or

13                   “(ii) to meet the requirements of sub-  
14                  section (a) of section 2726 with respect to  
15                  parity in mental health and substance use  
16                  disorder benefits.”.

17           (b) ERISA.—

18                   (1) IN GENERAL.—Section 712(a) of the Em-  
19                  ployee Retirement Income Security Act of 1974 (29  
20                  U.S.C. 1185a(a)) is amended by adding at the end  
21                  the following:

22                   “(9) SERVICE PROVIDER LIABILITY.—In the  
23                  case of a violation of this section by a group health  
24                  plan or a health insurance issuer offering group  
25                  health insurance coverage—



1 spect to enforcement by the Secretary of  
2 section 712”; and

3 (C) in subsection (c)(10)—

4 (i) in the heading, by striking “USE  
5 OF GENETIC INFORMATION” and inserting  
6 “USE OF GENETIC INFORMATION AND PAR-  
7 ITY IN MENTAL HEALTH AND SUBSTANCE  
8 USE DISORDER BENEFITS”; and

9 (ii) in subparagraph (A)—

10 (I) by striking “any plan sponsor  
11 of a group health plan” and inserting  
12 “any plan sponsor or service provider,  
13 including any third party adminis-  
14 trator, managed behavioral health or-  
15 ganization, or entity providing phar-  
16 macy benefit management services, of  
17 a group health plan”; and

18 (II) by striking “for any failure”  
19 and all that follows through “in con-  
20 nection with the plan.” and inserting  
21 the following: “for any failure by such  
22 sponsor or issuer, or by participation  
23 in such failure by a service provider,  
24 in connection with the plan— “

1 “(i) to meet the requirements of sub-  
2 section (a)(1)(F), (b)(3), (c), or (d) of sec-  
3 tion 702 or section 701 or 702(b)(1) with  
4 respect to genetic information; or

5 “(ii) to meet the requirements of sub-  
6 section (a) of section 712 with respect to  
7 parity in mental health and substance use  
8 disorder benefits.”.

9 (c) IRC.—

10 (1) IN GENERAL.—Section 9812(a) of the In-  
11 ternal Revenue Code of 1986 is amended by adding  
12 at the end the following:

13 “(9) SERVICE PROVIDER LIABILITY.—In the  
14 case of a violation of this section by a group health  
15 plan—

16 “(A) a plan sponsor or a service provider<sup>¶</sup>,  
17 including any third party administrator, man-  
18 aged behavioral health organization, or entity  
19 providing pharmacy benefit management serv-  
20 ices,<sup>¶</sup> of such plan that causes or contributes to  
21 such violation shall also be liable for such viola-  
22 tion; and

23 “(B) the Secretary shall have the discre-  
24 tion to determine the percentage of liability of

1           between the plan, sponsor, and service provider,  
2           as applicable.”.

3           (2) ENFORCEMENT.—Section 4980D of such  
4           Code is amended by adding at the end the following  
5           new subsection:

6           “(g) APPLICATION TO SERVICE PROVIDERS.—In the  
7           case of a failure of a group health plan to meet the re-  
8           quirements of section 9812, any reference in this section  
9           to such group health plan (and the reference in subsection  
10          (e)(1) to the employer) shall be treated as including a ref-  
11          erence to any person made liable for such failure by sec-  
12          tion 9812(a)(9).”.

13          (d) EFFECTIVE DATE.—The amendments made by  
14          this section (other than the amendments made by sub-  
15          paragraphs (A) and (B) of subsection (b)(2)) shall apply  
16          with respect to plan years beginning after the date that  
17          is 1 year after the date of enactment of this Act.