

H.R. 7780 would expand resources to address the mental health of K-12 students and staff members. The bill would authorize several grant programs to support school-based mental health services and providers. It would require postsecondary institutions that receive federal financial assistance to develop policies to identify and provide special accommodations to individuals with disabilities. Finally, it would prohibit mandatory arbitration clauses, class action waivers, and representation waivers in employer-sponsored benefit plans under the Employment Retirement Income Security Act of 1974.

CBO estimates that the bill would have no effect on direct spending and would increase revenues over the 2022-2032 period. The bill contains provisions that would increase spending subject to appropriation, but CBO has not completed an estimate of those costs.

**Estimated Revenue Effects of H.R. 7780, the Mental Health Matters Act**

As Posted on the Website of the House Committee on Rules on September 23, 2022

<https://rules.house.gov/sites/democrats.rules.house.gov/files/BILLS-117HR7780RH-RCP117-67.pdf>

	By Fiscal Year, Millions of Dollars											2022-2027	2022-2032
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		
	<b>Increases in Revenues</b>												
Estimated Revenues	0	0	2	3	3	3	3	3	4	4	4	11	29
On-Budget Revenues	0	0	2	3	3	3	3	3	4	4	4	11	29
Off-Budget Revenues	0	0	0	0	0	0	0	0	0	0	0	0	0

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Section 602 of H.R.7780 would allow the Secretary of Labor to impose civil monetary penalties on plan sponsors and administrators of group health plans if they fail to meet requirements of parity in mental health and substance use disorder benefits; the penalties would begin one plan year after the date of enactment. Section 602 also would clarify existing provisions regarding the re-adjudication and payment of benefits to remedy violations.

Based on the number of violations cited in Department of Labor reports regarding mental health parity enforcement, CBO projects that there would be about 11 violations of mental health parity requirements per year with a small portion of those violations resulting in penalty collections. In total, CBO estimates that penalty collections would increase revenues by about \$29 million over the 2022-2032 period.

H.R. 7780 would impose private-sector mandates as defined in the Unfunded Mandates Reform Act by prohibiting mandatory arbitration clauses, class action waivers, and representation waivers in employee benefit plans covered by the Employee Retirement Income Security Act. It also would deem such provisions in existing contracts as unenforceable. The cost of the mandate would include any difference between the amounts received in rulings reached through the courts versus through arbitration. Because the resolution of arbitration proceedings is generally confidential, there is little data to compare with the outcome of traditional lawsuits. Furthermore, the number and type of claims that would be filed in the courts in the absence of arbitration is uncertain. Therefore, CBO cannot determine the cost of the mandate.