

HCS HB 233 -- HEALTH INSURANCE

SPONSOR: Holand

COMMITTEE ACTION: Voted "do pass" by the Committee on Health Care Policy by a vote of 13 to 1.

Under current law, there are several exceptions to the requirement that health insurers who cover services for mental illness and addictive disorders provide the same coverage as they do for physical illness. These include exceptions that allow insurers to limit inpatient hospital treatment for mental illness to 90 days per year (Section 376.811, RSMo), place annual and lifetime limits on alcohol and drug abuse treatment services (Section 376.827), and exclude or apply different limits to certain specified services (Section 376.833).

This substitute repeals the current law and requires health carriers that offer health benefit plans in this state on or after January 1, 2004, to provide coverage for mental health conditions. Mental health conditions are defined as those listed in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders. Coverage for mental health conditions cannot have rates, terms, or conditions that place a greater financial burden on an insured for mental health treatment than for physical health treatment.

The substitute does not apply to supplemental insurance policies.

FISCAL NOTE: Estimated Net Cost to General Revenue Fund of \$3,129 to \$6,258 in FY 2004, \$6,445 to \$12,890 in FY 2005, \$6,638 to \$13,276 in FY 2006. Estimated Net Income to Insurance Dedicated Fund of \$8,000 in FY 2004, \$0 in FY 2005, \$0 in FY 2006. Estimated Net Cost to Patrol Highway Fund of \$29,130 to \$58,261 in FY 2004, \$60,008 to \$120,017 in FY 2005, and \$61,808 to \$123,617 in FY 2006. Estimated Net Cost to Highway Fund of \$113,056 to \$226,112 in FY 2004, \$232,895 to \$465,790 in FY 2005, and \$239,882 to \$479,764 in FY 2006. Estimated Net Cost on Other Funds of \$992 to \$1,985 in FY 2004, \$2,044 to \$4,088 in FY 2005, and \$2,105 to \$4,209 in FY 2006.

PROPOSERS: Supporters say that mental illnesses are related to physical illness experienced by patients; therefore, no distinction should be made by health insurers between coverage for mental health treatment and reimbursement of providers for mental health services. At least 30 states have mental health parity laws. Exemptions in the Missouri law for mental health parity diminish that parity. The bill does not mandate mental health coverage but requires equity of coverage between mental illnesses and physical illnesses.

Testifying for the bill were Representatives Holand, Riback Wilson (25), and Moore; Burrell Behavioral Health of Springfield; Timothy C. Harlan, President of the National Alliance for the Mentally Ill, Columbia Chapter; St. Anthony's Medical Center of St. Louis; Eastern Missouri Psychiatry Society; Missouri Coalition of Community Mental Health Care Providers; Department of Mental Health; Fulton State Hospital; Western Missouri Psychiatric Society; Children's Mercy Hospital of Kansas City; Missouri Statewide Parent Advisory Network; Susan Weinrich; Missouri Recovery Network; Dan Bernskoetter; Crossroads of Missouri; Edward Duff; National Association of Social Workers; Missouri Association of Community Task Forces; Paraguard of St. Louis; BJC Health Care Systems; United Healthcare; Missouri Hospital Association; American Counselors Association of Missouri; Missouri Association of Marriage and Family Therapists; and American Federation of State, County, and Municipal Employees.

OPPONENTS: Those who oppose the bill say that the bill will result in the shifting of additional health care costs to small businesses and direct policy holders. The bill contains a broad definition for "mental health condition." The bill does not have cost containment provisions which are included in current law.

Testifying against the bill were Group Health Plan; Coventry Health Plan; Missouri Chamber of Commerce; Blue Cross Blue Shield of Missouri; Coventry Health Care of St. Louis; Missouri Association of Health Plans; Associated Industries of Missouri; and Golden Rule Insurance Company.

Joseph Deering, Legislative Analyst