

SS SCS HCS HB 855 -- HEALTH INSURANCE

This bill changes the laws regarding insurance coverage for mental illness and chemical dependency. In its main provisions, the bill:

(1) Requires all health plans or policies that are individually underwritten or that provide coverage for specific individuals and their family members to include coverage for the treatment of alcoholism. Various policies are excluded from this requirement. This provision becomes effective January 1, 2005;

(2) Revises provisions pertaining to the offer of insurance coverage for the treatment of chemical dependency. This provision requires all health plans or policies that are individually underwritten or that provide coverage for specific individuals and their family members to provide coverage for the treatment of chemical dependency. The coverage: (a) must be subject to the same co-insurance, co-payments, and deductible factors that are applied to physical illnesses; (b) may be administered by a managed care program; and (c) may be delivered through a system of contractual arrangements. Various policies are excluded from this requirement; and

(3) Revises provisions contained in the Mental Health and Chemical Dependency Insurance Act. All health plans or policies that are individually underwritten or that provide coverage for specific individuals and their family members can offer the coverage listed in this act. Various policies are excluded from this requirement. These sections become effective January 1, 2005, and will expire on January 1, 2011.

Health carriers that offer health benefit plans in this state on or after January 1, 2005, are required to provide coverage for mental health conditions. This provision defines "mental health conditions" as those listed in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders, except for chemical dependency conditions. Coverage for mental health conditions: (1) cannot have rates, terms, or conditions that place a greater financial burden on an insured for mental health treatment than for physical health treatment; (2) may be administered by a managed care program; and (3) may be delivered through a series of contractual arrangements. This provision does not apply to certain insurance policies, including individually underwritten insurance policies.