

By: Coleman

H.B. No. 1880

A BILL TO BE ENTITLED

AN ACT

relating to health benefit plan coverage for mental disorders.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter E, Chapter 21, Insurance Code, is amended by adding Article 21.53R to read as follows:

Art. 21.53R. PARITY IN COVERAGE FOR MENTAL DISORDERS

Sec. 1. DEFINITION. In this article, "mental disorder" means a disorder identified in the Diagnostic and Statistical Manual of Mental Disorders, fourth edition, or in a subsequent edition of that manual that the commissioner by rule adopts to take the place of the fourth edition or any subsequent edition for the purposes of this subdivision, that results in an impairment of a person's functioning in the person's community, employment, family, school, or social group.

Sec. 2. APPLICABILITY OF ARTICLE. (a) This article applies only to a health benefit plan that provides benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness, including an individual, group, blanket, or franchise insurance policy or insurance agreement, a group hospital service contract, or an individual or group evidence of coverage or similar coverage document that is offered by:

(1) an insurance company;

(2) a group hospital service corporation operating under Chapter 842 of this code;

1 (3) a fraternal benefit society operating under
2 Chapter 885 of this code;

3 (4) a stipulated premium insurance company operating
4 under Chapter 884 of this code;

5 (5) a Lloyd's plan operating under Chapter 941 of this
6 code;

7 (6) an exchange operating under Chapter 942 of this
8 code;

9 (7) a health maintenance organization operating under
10 Chapter 843 of this code;

11 (8) a multiple employer welfare arrangement that holds
12 a certificate of authority under Chapter 846 of this code; or

13 (9) an approved nonprofit health corporation that
14 holds a certificate of authority under Chapter 844 of this code.

15 (b) This article applies to a small employer health benefit
16 plan written under Chapter 26 of this code.

17 (c) This article does not apply to:

18 (1) a plan that provides coverage:

19 (A) only for a specified disease or other limited
20 benefit;

21 (B) only for accidental death or dismemberment;

22 (C) for wages or payments in lieu of wages for a
23 period during which an employee is absent from work because of
24 sickness or injury;

25 (D) as a supplement to a liability insurance
26 policy;

27 (E) only for dental or vision care;

1 (F) only for hospital expenses; or

2 (G) only for indemnity for hospital confinement;

3 (2) a Medicare supplemental policy as defined by
4 Section 1882(g)(1), Social Security Act (42 U.S.C. Section 1395ss),
5 as amended;

6 (3) a workers' compensation insurance policy;

7 (4) medical payment insurance coverage provided under
8 a motor vehicle insurance policy;

9 (5) a credit insurance policy; or

10 (6) a long-term care policy, including a nursing home
11 fixed indemnity policy, unless the commissioner determines that the
12 policy provides benefit coverage so comprehensive that the policy
13 is a health benefit plan as described by Subsection (a).

14 Sec. 3. COVERAGE REQUIRED. A health benefit plan must
15 provide coverage for the diagnosis and treatment of a mental
16 disorder under the same terms and conditions as coverage for
17 diagnosis and treatment of physical illness.

18 Sec. 4. COVERAGE OF INPATIENT STAYS AND OUTPATIENT VISITS.
19 A health benefit plan must cover inpatient stays and outpatient
20 visits under this article under the same terms and conditions as the
21 plan covers inpatient stays and outpatient visits for treatment of
22 a physical illness.

23 Sec. 5. AMOUNT LIMITS; DEDUCTIBLES; COPAYMENTS;
24 COINSURANCE. Coverage provided under this article must be subject
25 to the same amount limits, deductibles, copayments, and coinsurance
26 factors as coverage for physical illness.

27 Sec. 6. RULES. The commissioner shall adopt rules as

1 necessary to implement this article.

2 SECTION 2. Article 3.51-14, Insurance Code, is repealed.

3 SECTION 3. This Act takes effect September 1, 2003, and
4 applies only to a health benefit plan delivered, issued for
5 delivery, or renewed on or after January 1, 2004. A health benefit
6 plan delivered, issued for delivery, or renewed before January 1,
7 2004, is governed by the law as it existed immediately before the
8 effective date of this Act, and that law is continued in effect for
9 that purpose.