By: Farabee H.B. No. 2193

A BILL TO BE ENTITLED

AN ACT

relating to health benefit plan coverage for certain mental disorders in children.

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. COVERAGE FOR CERTAIN MENTAL DISORDERS IN CHILDREN

Sec. 1. DEFINITIONS. In this article:

(1) "Child" means a person younger than 19 years of age.

(2) "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, other than a primary substance abuse disorder or a developmental disorder, that results in a significant impairment of a child's functioning in the child's community, family, school, or peer 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,

1 blanket, or franchise insurance policy or insurance agreement, a
2 group hospital service contract, or an individual or group evidence
3 of coverage or similar coverage document that is offered by:
4 (1) an insurer;
5 (2) a group hospital service corporation operating
6 under Chapter 842;
7 (3) a fraternal benefit society operating under
8 Chapter 885;
9 (4) a stipulated premium insurer operating under
10 Chapter 884;
11 (5) an exchange operating under Chapter 942;
12 (6) a health maintenance organization operating under
13 Chapter 843;
14 (7) a multiple employer welfare arrangement that holds
15 a certificate of authority under Chapter 846; or
16 (8) an approved nonprofit health corporation that
17 holds a certificate of authority under Chapter 844.
18 (b) This article applies to a small employer health benefit
19 plan written under Chapter 26.
20 (c) This article does not apply to:
21 (1) a plan that provides coverage:
22 (A) only for a specified disease or other limited
23 benefit;
24 (B) only for accidental death or dismemberment;
25 (C) for wages or payments in lieu of wages for a
26 period during which an employee is absent from work because of
27 sickness or injury;

1 (D) as a supplement to a liability insurance
2 policy;
3 (E) only for dental or vision care; or
4 (F) only for indemnity for hospital confinement;
5 (2) a Medicare supplemental policy as defined by
6 Section 1882(g)(1), Social Security Act (42 U.S.C. Section 1395ss),
7 as amended;
8 (3) a workers' compensation insurance policy;
9 (4) medical payment insurance coverage provided under
10 a motor vehicle insurance policy;
11 (5) a credit insurance policy; or
12 (6) a long-term care policy, including a nursing home
13 fixed indemnity policy, unless the commissioner determines that the
14 policy provides benefit coverage so comprehensive that the policy
15 is a health benefit plan as described by Subsection (a).
16 Sec. 3. COVERAGE REQUIRED. (a) A health benefit plan must
17 provide coverage for an enrollee who is a child for the diagnosis
18 and treatment of a mental disorder. Except as provided by this
19 article, a health benefit plan must provide coverage required under
20 this subsection under the same terms and conditions as coverage for
21 diagnosis and treatment of physical illness.
22 (b) Coverage required under this article may be provided or
23 offered through a managed care plan.
24 Sec. 4. COVERAGE OF INPATIENT STAYS AND OUTPATIENT
25 VISITS. Except as provided by this section, a health benefit plan
26 must cover inpatient stays and outpatient visits under this article
27 under the same terms and conditions as the plan covers inpatient

1 stays and outpatient visits for treatment of a physical illness.
2 Coverage required by this article may not be subject to an annual or
3 lifetime limit on the number of days of inpatient treatment or the
4 number of outpatient visits covered under the plan.
5 Sec. 5. AMOUNT LIMITS; DEDUCTIBLES; COPAYMENTS;
6 COINSURANCE. Coverage provided under this article must be subject
7 to the same amount limits, deductibles, copayments, and coinsurance
8 factors as coverage for physical illness.
9 Sec. 6. RULES. The commissioner shall adopt rules as
10 necessary to implement this article.
11 SECTION 2. Section 1(1), Article 3.51-14, Insurance Code,
12 is amended to read as follows:
13 (1) "Serious mental illness" means the following
14 psychiatric illnesses as defined by the American Psychiatric
15 Association in the Diagnostic and Statistical Manual (DSM):
16 (A) schizophrenia;
17 (B) paranoid and other psychotic disorders;
18 (C) bipolar disorders (hypomanic, manic,
19 depressive, and mixed);
20 (D) major depressive disorders (single episode
21 or recurrent);
22 (E) schizo-affective disorders (bipolar or
23 depressive);
24 (F) pervasive developmental disorders; and
25 (G) obsessive-compulsive disorders[~~; and~~
26 [~~(H) depression in childhood and adolescence~~].
27 SECTION 3. Section 3(a), Article 3.51-14, Insurance Code,

1 is amended to read as follows:

2 (a) Except as provided by Section 4 of this article or
3 Article 21.53R of this code, a group health benefit plan:

4 (1) must provide coverage, based on medical necessity,
5 for the following treatment of serious mental illness in each
6 calendar year:

7 (A) 45 days of inpatient treatment; and

8 (B) 60 visits for outpatient treatment,
9 including group and individual outpatient treatment;

10 (2) may not include a lifetime limit on the number of
11 days of inpatient treatment or the number of outpatient visits
12 covered under the plan; and

13 (3) must include the same amount limits, deductibles,
14 copayments, and coinsurance factors for serious mental illness as
15 for physical illness.

16 SECTION 4. (a) On or before September 1, 2008, the Sunset
17 Advisory Commission shall conduct a study to determine:

18 (1) to what extent the health benefit plan coverage
19 required by Article 21.53R, Insurance Code, as added by this Act,
20 and by the change in law made by this Act to Sections 1(1) and 3(a),
21 Article 3.51-14, Insurance Code, is being used by enrollees in
22 health benefit plans to which those articles apply; and

23 (2) the impact of the required coverage on the cost of
24 those health benefit plans.

25 (b) The Sunset Advisory Commission shall report its
26 findings under this section to the legislature on or before January
27 1, 2009.

1 (c) The Texas Department of Insurance and any other state
2 agency shall cooperate with the Sunset Advisory Commission as
3 necessary to implement this section.

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