

By: Nixon

H.B. No. 1941

A BILL TO BE ENTITLED

AN ACT

relating to group health benefit plan coverage for an enrollee with certain mental disorders.

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

ARTICLE 1. AMENDMENTS TO CHAPTER 1355, INSURANCE CODE

SECTION 1.01. The heading to Subchapter A, Chapter 1355, Insurance Code, as effective April 1, 2005, is amended to read as follows:

SUBCHAPTER A. [~~GROUP~~] HEALTH BENEFIT PLAN COVERAGE FOR CERTAIN MENTAL DISORDERS AND SERIOUS MENTAL ILLNESSES

SECTION 1.02. Section 1355.001, Insurance Code, as effective April 1, 2005, is amended to read as follows:

Sec. 1355.001. DEFINITIONS. In this subchapter:

(1) "Enrollee" means an individual who is enrolled in a group health benefit plan, including a covered dependent.

(2) "Mental disorder" means a disorder defined by the American Psychiatric Association in the Diagnostic and Statistical Manual of Mental Disorders, fourth edition, or a subsequent edition of that manual that the commissioner by rule adopts to take the place of the fourth edition, except that the term does not include:

(A) a mental disorder classified under that manual as a "V-code" disorder;

(B) mental retardation;

(C) a learning disorder;

1 (D) a motor skill disorder; or

2 (E) a communication disorder.

3 (3) "Serious mental illness" means a mental disorder
4 that is one of the following psychiatric illnesses as defined by the
5 American Psychiatric Association in the Diagnostic and Statistical
6 Manual (DSM), fourth edition, or a subsequent edition of that
7 manual that the commissioner by rule adopts to take the place of the
8 fourth edition:

9 (A) bipolar disorders (hypomanic, manic,
10 depressive, and mixed);

11 (B) depression in childhood and adolescence;

12 (C) major depressive disorders (single episode
13 or recurrent);

14 (D) obsessive-compulsive disorders;

15 (E) paranoid and other psychotic disorders;

16 (F) pervasive developmental disorders;

17 (G) schizo-affective disorders (bipolar or
18 depressive); and

19 (H) schizophrenia.

20 (4) [~~2~~] "Small employer" has the meaning assigned by
21 Section 1501.002.

22 SECTION 1.03. Section 1355.002, Insurance Code, as
23 effective April 1, 2005, is amended to read as follows:

24 Sec. 1355.002. CONSTRUCTION AND APPLICABILITY OF
25 SUBCHAPTER. (a) This subchapter may not be construed to limit any
26 medical treatment described in a billing code listed in the
27 International Classification of Diseases, ninth edition, of the

1 World Health Organization, or a subsequent edition of that
2 publication that the commissioner by rule adopts to take the place
3 of the ninth edition.

4 (b) This subchapter applies only to a group health benefit
5 plan that provides benefits for medical or surgical expenses
6 incurred as a result of a health condition, accident, or sickness,
7 including:

8 (1) a group insurance policy, group insurance
9 agreement, group hospital service contract, or group evidence of
10 coverage that is offered by:

11 (A) an insurance company;

12 (B) a group hospital service corporation
13 operating under Chapter 842;

14 (C) a fraternal benefit society operating under
15 Chapter 885;

16 (D) a stipulated premium company operating under
17 Chapter 884; ~~or~~

18 (E) a health maintenance organization operating
19 under Chapter 843;

20 (F) a reciprocal exchange operating under
21 Chapter 942;

22 (G) a Lloyd's plan operating under Chapter 941;

23 or

24 (H) an approved nonprofit health corporation
25 that holds a certificate of authority under Chapter 844; and

26 (2) ~~[to the extent permitted by the Employee~~
27 ~~Retirement Income Security Act of 1974 (29 U.S.C. Section 1001 et~~

1 ~~seq.), a plan offered under:~~

2 [~~(A)~~] a multiple employer welfare arrangement
3 that holds a certificate of authority under Chapter 846 ~~[as defined~~
4 ~~by Section 3 of that Act; or~~

5 [~~(B)~~ ~~another analogous benefit arrangement~~].

6 SECTION 1.04. Section 1355.003, Insurance Code, as
7 effective April 1, 2005, is amended to read as follows:

8 Sec. 1355.003. EXCEPTION. [~~(a)~~] This subchapter does not
9 apply to coverage under:

10 (1) a blanket accident and health insurance policy, as
11 described by Chapter 1251;

12 (2) a short-term travel policy;

13 (3) an accident-only policy;

14 (4) a plan that provides coverage:

15 (A) only for benefits for a specified disease or
16 for another limited benefit, other than a plan that provides
17 benefits for mental health or similar services;

18 (B) only for accidental death or dismemberment;

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

22 (D) as a supplement to a liability insurance
23 policy;

24 (E) only for dental or vision care; or

25 (F) only for indemnity for hospital confinement;

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

1 (6) a workers' compensation insurance policy;

2 (7) medical payment insurance coverage provided under
3 an automobile insurance policy;

4 (8) a credit insurance policy;

5 (9) a long-term care insurance policy, including a
6 nursing home fixed indemnity policy, unless the commissioner
7 determines that the policy provides benefit coverage so
8 comprehensive that the policy is a group health benefit plan as
9 described by Section 1355.002 [~~limited or specified-disease policy~~
10 ~~that does not provide benefits for mental health care or similar~~
11 ~~services~~];

12 (10) [~~(5)~~] except as provided by Section 1355.0035(b)
13 [~~Subsection (b)~~], a plan offered under Chapter 1551 or Chapter
14 1601; or

15 (11) [~~(6)~~] a plan offered in accordance with Section
16 1355.151[~~, or~~

17 [~~(7) a Medicare supplement benefit plan, as defined by~~
18 ~~Section 1652.002~~].

19 [~~(b) For the purposes of a plan described by Subsection~~
20 ~~(a)(5), "serious mental illness" has the meaning assigned by~~
21 ~~Section 1355.001.~~]

22 SECTION 1.05. Chapter 1355, Insurance Code, as effective
23 April 1, 2005, is amended by adding Section 1355.0035 to read as
24 follows:

25 Sec. 1355.0035. REQUIRED COVERAGE FOR MENTAL DISORDERS.

26 (a) Except as provided by Subsections (b) and (c), a group health
27 benefit plan must provide coverage for the diagnosis and medically

1 necessary treatment of an enrollee's mental disorder under terms at
2 least as favorable as coverage provided to the enrollee for the
3 diagnosis and treatment of medical and surgical conditions.

4 (b) A group health benefit plan offered under Chapter 1551
5 or 1601 may limit coverage under this chapter to the coverage
6 required under Section 1355.004.

7 (c) This section does not apply to a consumer choice of
8 benefits health insurance plan under Chapter 1507 or Article 3.80
9 or 20A.09N.

10 SECTION 1.06. Section 1355.004, Insurance Code, as
11 effective April 1, 2005, is amended by adding Subsection (c) to read
12 as follows:

13 (c) This section does not apply to a group health benefit
14 plan required to provide coverage under Section 1355.0035(a).

15 SECTION 1.07. Section 1355.005, Insurance Code, as
16 effective April 1, 2005, is amended to read as follows:

17 Sec. 1355.005. MANAGED CARE PLAN AUTHORIZED. A group
18 health benefit plan issuer may provide or offer coverage required
19 by Section 1355.0035 or 1355.004 through a managed care plan.

20 SECTION 1.08. Subchapter A, Chapter 1355, Insurance Code,
21 as effective April 1, 2005, is amended by adding Section 1355.0055
22 to read as follows:

23 Sec. 1355.0055. COVERAGE EQUITY. (a) A group health
24 benefit plan subject to Section 1355.0035 may not impose treatment
25 limitations or financial requirements on the provision of benefits
26 under this subchapter for a mental disorder if identical
27 limitations or requirements are not imposed on coverage of benefits

1 for other medical conditions.

2 (b) A deductible or out-of-pocket limit required under a
3 health benefit plan that is subject to Section 1355.0035 must be
4 comprehensive for coverage of both mental health and physical
5 health conditions.

6 SECTION 1.09. Subchapter A, Chapter 1355, Insurance Code,
7 as effective April 1, 2005, is amended by adding Section 1355.008 to
8 read as follows:

9 Sec. 1355.008. RULES. The commissioner shall adopt rules
10 as necessary to administer this subchapter.

11 SECTION 1.10. Section 1355.151, Insurance Code, as
12 effective April 1, 2005, is amended to read as follows:

13 Sec. 1355.151. PROHIBITION ON EXCLUSION OR LIMITATION OF
14 CERTAIN COVERAGES. (a) In this section, "mental disorder"
15 [~~"serious mental illness"~~] has the meaning assigned by Section
16 1355.001.

17 (b) A political subdivision that provides group health
18 insurance coverage, health maintenance organization coverage, or
19 self-insured health care coverage to the political subdivision's
20 officers or employees may not contract for or provide coverage that
21 is less extensive for a mental disorder [~~serious mental illness~~]
22 than the coverage provided for any [~~other~~] physical illness.

23 ARTICLE 2. CONFORMING AMENDMENTS

24 SECTION 2.01. Section 1551.003, Insurance Code, is amended
25 by adding Subdivision (10-a) to read as follows:

26 (10-a) "Mental disorder" has the meaning assigned by
27 Section 1355.001(2).

1 SECTION 2.02. Section 1551.205, Insurance Code, is amended
2 to read as follows:

3 Sec. 1551.205. LIMITATIONS. The board of trustees may not
4 contract for or provide a coverage plan that:

5 (1) excludes or limits coverage or services for
6 acquired immune deficiency syndrome, as defined by the Centers for
7 Disease Control and Prevention of the United States Public Health
8 Service, or human immunodeficiency virus infection;

9 (2) provides coverage for a mental disorder [~~serious~~
10 ~~mental illness~~] that is less extensive than the coverage provided
11 for any physical illness; or

12 (3) may provide coverage for prescription drugs to
13 assist in stopping smoking at a lower benefit level than is provided
14 for other prescription drugs.

15 SECTION 2.03. Section 1601.109, Insurance Code, is amended
16 to read as follows:

17 Sec. 1601.109. COVERAGE FOR AIDS, HIV, OR [~~SERIOUS~~] MENTAL
18 DISORDER [~~ILLNESS~~]. (a) In this section, "mental disorder"
19 [~~"serious mental illness"~~] has the meaning assigned by Section
20 1355.001 [~~1, Article 3.51-14~~].

21 (b) A system may not contract for or provide for group
22 insurance or HMO coverage or provide self-insured coverage, that:

23 (1) excludes or limits coverage or services for
24 acquired immune deficiency syndrome, as defined by the Centers for
25 Disease Control and Prevention of the United States Public Health
26 Service, or human immunodeficiency virus infection; or

27 (2) provides coverage for a mental disorder [~~serious~~

1 ~~mental illness~~] that is less extensive than the coverage provided
2 for any [~~other~~] physical illness.

3 ARTICLE 3. TRANSITION; EFFECTIVE DATE

4 SECTION 3.01. The change in law made by this Act applies
5 only to a group health benefit plan delivered, issued for delivery,
6 or renewed on or after January 1, 2006. A group health benefit plan
7 delivered, issued for delivery, or renewed before January 1, 2006,
8 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.

11 SECTION 3.02. This Act takes effect September 1, 2005.