By: Van de Putte S.B. No. 215

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. Chapter 1367, Insurance Code, as effective April 1, 2005, is amended by adding Subchapter F to read as follows:

SUBCHAPTER F. CERTAIN MENTAL DISORDERS IN CHILDREN

Sec. 1367.251. DEFINITIONS. In this subchapter:

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

(2) "Mental disorder" means a disorder that is 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 and that results in a significant impairment of a child's functioning in the child's community, family, school, or peer group. The term does not include a primary substance abuse disorder or a developmental disorder.

Sec. 1367.252. APPLICABILITY OF SUBCHAPTER. (a) This subchapter applies only to a health benefit plan that:

(1) 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:

(A) an insurance company;

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

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

(D) a stipulated premium insurance company operating under Chapter 884;

(E) a reciprocal or interinsurance exchange operating under Chapter 942;

(F) a health maintenance organization operating under Chapter 843; or

(G) a multiple employer welfare arrangement subject to regulation under Chapter 846; or

(2) is offered by an approved nonprofit health corporation that holds a certificate of authority under Chapter 844.

(b) This subchapter applies to a small employer health benefit plan written under Chapter 1501.

Sec. 1367.253. EXCEPTION. This subchapter does not apply to:

(1) a plan that provides coverage:

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

(B) only for accidental death or dismemberment;

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

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

(E) only for dental or vision care; or

(F) only for indemnity for hospital confinement;

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

(3) a workers' compensation insurance policy;

(4) medical payment insurance coverage provided under an automobile insurance policy;

(5) a credit insurance policy; or

(6) a long-term care policy, including a nursing home fixed indemnity policy, unless the commissioner determines that the policy provides benefit coverage so comprehensive that the policy is a health benefit plan as described by Section 1367.252.

Sec. 1367.254. COVERAGE REQUIRED. (a) A health benefit plan must provide coverage for an enrollee who is a child for the diagnosis and treatment of a mental disorder. Except as provided by this subchapter, a health benefit plan must provide coverage required under this subsection under the same terms and conditions as coverage for diagnosis and treatment of physical illness.

(b) Coverage required under this subchapter may be provided or offered through a managed care plan.

Sec. 1367.255. COVERAGE OF INPATIENT STAYS AND OUTPATIENT

VISITS. Except as provided by this section, a health benefit plan must cover inpatient stays and outpatient visits under this subchapter under the same terms and conditions as the plan covers inpatient stays and outpatient visits for treatment of a physical illness. Coverage required by this subchapter may not be subject to an annual or lifetime limit on the number of days of inpatient treatment or the number of outpatient visits covered under the plan.

Sec. 1367.256. AMOUNT LIMITS; DEDUCTIBLES; COPAYMENTS; COINSURANCE. Coverage provided under this subchapter must be subject to the same amount limits, deductibles, copayments, and coinsurance factors as coverage for physical illness.

Sec. 1367.257. RULES. The commissioner shall adopt rules as necessary to implement this subchapter.

SECTION 2. Section 1355.001(1), Insurance Code, as effective April 1, 2005, is amended to read as follows:

(1) "Serious mental illness" means the following psychiatric illnesses as defined by the American Psychiatric Association in the Diagnostic and Statistical Manual (DSM):

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

(B) [~~depression in childhood and adolescence;~~

[~~(C)~~] major depressive disorders (single episode or recurrent);

(C) [~~(D)~~] obsessive-compulsive disorders;

(D) [~~(E)~~] paranoid and other psychotic disorders;

(E) [~~(F)~~] pervasive developmental disorders;

(F) [~~(G)~~] schizo-affective disorders (bipolar or depressive); and

(G) [~~(H)~~] schizophrenia.

SECTION 3. Section 1355.004(a), Insurance Code, as effective April 1, 2005, is amended to read as follows:

(a) Except as provided by Subchapter F, Chapter 1367, a [~~A~~] group health benefit plan:

(1) must provide coverage, based on medical necessity, for not less than the following treatments of serious mental illness in each calendar year:

(A) 45 days of inpatient treatment; and

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

(2) may not include a lifetime limitation on the number of days of inpatient treatment or the number of visits for outpatient treatment covered under the plan; and

(3) must include the same amount limitations, deductibles, copayments, and coinsurance factors for serious mental illness as the plan includes for physical illness.

SECTION 4. (a) On or before September 1, 2010, the Sunset Advisory Commission shall conduct a study to determine:

(1) to what extent the health benefit plan coverage required by Subchapter F, Chapter 1367, Insurance Code, as added by this Act, and by the change in law made by this Act to Chapter 1355, Insurance Code, is being used by enrollees in health benefit plans to which those articles apply; and

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

(b) The Sunset Advisory Commission shall report its findings under this section to the legislature on or before January 1, 2011.

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

SECTION 5. This Act applies only to a health benefit plan delivered, issued for delivery, or renewed on or after January 1, 2006. A health benefit plan delivered, issued for delivery, or renewed before January 1, 2006, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 6. This Act takes effect September 1, 2005.