

By: Farabee

H.B. No. 510

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, 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 the following psychiatric illnesses, as defined by the American Psychiatric Association 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:

(A) pervasive developmental disorders;

(B) anxiety disorders; and

(C) eating disorders.

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

1 policy or insurance agreement, a group hospital service contract,  
2 or an individual or group evidence of coverage or similar coverage  
3 document that is offered by:

4 (A) an insurance company;

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

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

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

11 (E) a Lloyd's plan operating under Chapter 941;

12 (F) a reciprocal or interinsurance exchange  
13 operating under Chapter 942;

14 (G) a health maintenance organization operating  
15 under Chapter 843; or

16 (H) a multiple employer welfare arrangement  
17 subject to regulation under Chapter 846; or

18 (2) is offered by an approved nonprofit health  
19 corporation that holds a certificate of authority under Chapter  
20 844.

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

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

25 (1) a plan that provides coverage:

26 (A) only for a specified disease or other limited  
27 benefit, other than a plan that provides benefits for mental health

1 care or similar services;

2 (B) only for accidental death or dismemberment;

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

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

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

9 (F) only for indemnity for hospital confinement;

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

12 (3) a workers' compensation insurance policy;

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

15 (5) a credit insurance policy; or

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

20 Sec. 1367.254. COVERAGE REQUIRED. (a) A health benefit  
21 plan must provide coverage for an enrollee who is a child for the  
22 diagnosis and treatment of a mental disorder. Except as provided by  
23 this subchapter, a health benefit plan must provide coverage  
24 required under this subsection under the same terms and conditions  
25 as coverage for diagnosis and treatment of physical illness,  
26 including the same amount limits, deductibles, copayments, and  
27 coinsurance factors as required for coverage for physical illness.

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

3        Sec. 1367.255. COVERAGE OF INPATIENT STAYS AND OUTPATIENT  
4 VISITS. Except as provided by this section, a health benefit plan  
5 must cover in each calendar year at least 45 days of inpatient  
6 treatment and at least 60 visits for outpatient treatment under  
7 this subchapter. Coverage required by this subchapter may not be  
8 subject to a lifetime limit on the number of days of inpatient  
9 treatment or the number of outpatient visits covered under the  
10 plan.

11        Sec. 1367.256. RULES. The commissioner shall adopt rules  
12 as necessary to implement this subchapter.

13        SECTION 2. (a) On or before September 1, 2012, the Sunset  
14 Advisory Commission shall conduct a study to determine:

15                (1) to what extent the health benefit plan coverage  
16 required by Subchapter F, Chapter 1367, Insurance Code, as added by  
17 this Act, is being used by enrollees in health benefit plans to  
18 which those provisions apply; and

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

21        (b) The Sunset Advisory Commission shall report its  
22 findings under this section to the legislature on or before January  
23 1, 2013.

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

27        SECTION 3. This Act applies only to a health benefit plan

1 delivered, issued for delivery, or renewed on or after January 1,  
2 2008. A health benefit plan delivered, issued for delivery, or  
3 renewed before January 1, 2008, is governed by the law as it existed  
4 immediately before the effective date of this Act, and that law is  
5 continued in effect for that purpose.

6 SECTION 4. This Act takes effect September 1, 2007.