

By: Ellis

S.B. No. 568

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, 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, 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 (DSM), 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 of Mental Disorders (DSM), fourth edition, or a subsequent  
7 edition of that manual that the commissioner by rule adopts to take  
8 the place of the 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, is amended  
23 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, is amended  
7 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. Subchapter A, Chapter 1355, Insurance Code,  
23 is amended by adding Section 1355.0035 to read as follows:

24           Sec. 1355.0035. REQUIRED COVERAGE FOR MENTAL DISORDERS.

25           (a) Except as provided by Subsections (b) and (c), a group health  
26 benefit plan must provide coverage for the diagnosis and medically  
27 necessary treatment of an enrollee's mental disorder under terms at

1 least as favorable as coverage provided to the enrollee for the  
2 diagnosis and treatment of medical and surgical conditions.

3 (b) The group benefits program under Chapter 1551 must  
4 provide coverage for mental disorders as required by Section  
5 1551.205. The uniform program offered under Chapter 1601 may limit  
6 coverage under this chapter to the coverage required under Section  
7 1355.004.

8 (c) This section does not apply to a consumer choice of  
9 benefits health insurance plan under Chapter 1507.

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

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

14 SECTION 1.07. Section 1355.005, Insurance Code, is amended  
15 to read as follows:

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

19 SECTION 1.08. Subchapter A, Chapter 1355, Insurance Code,  
20 is amended by adding Section 1355.0055 to read as follows:

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

27 (b) A deductible or out-of-pocket limit required under a

1 health benefit plan that is subject to Section 1355.0035 must be  
2 comprehensive for coverage of both mental health and physical  
3 health conditions.

4 SECTION 1.09. Subchapter A, Chapter 1355, Insurance Code,  
5 is amended by adding Section 1355.008 to read as follows:

6 Sec. 1355.008. RULES. The commissioner shall adopt rules  
7 as necessary to administer this subchapter.

8 SECTION 1.10. Section 1355.151, Insurance Code, is amended  
9 to read as follows:

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

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

20 ARTICLE 2. CONFORMING AMENDMENTS

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

23 (10-a) "Mental disorder" has the meaning assigned by  
24 Section 1355.001(2).

25 SECTION 2.02. Section 1551.205, Insurance Code, is amended  
26 to read as follows:

27 Sec. 1551.205. LIMITATIONS. The board of trustees may not

1 contract for or provide a coverage plan that:

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

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

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

12 SECTION 2.03. Section 1601.109, Insurance Code, is amended  
13 to read as follows:

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

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

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

24 (2) provides coverage for a mental disorder [~~serious~~  
25 ~~mental illness~~] that is less extensive than the coverage provided  
26 for any [~~other~~] physical illness.

1                   ARTICLE 3. TRANSITION; EFFECTIVE DATE

2                   SECTION 3.01. The change in law made by this Act applies  
3 only to a group health benefit plan delivered, issued for delivery,  
4 or renewed on or after January 1, 2008. A group health benefit plan  
5 delivered, issued for delivery, or renewed before January 1, 2008,  
6 is governed by the law as it existed immediately before the  
7 effective date of this Act, and that law is continued in effect for  
8 that purpose.

9                   SECTION 3.02. This Act takes effect September 1, 2007.