

By: Thompson of Harris, Price, Collier, Wu,  
Laubenberg

H.B. No. 1599

Substitute the following for H.B. No. 1599:

By: Price

C.S.H.B. No. 1599

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the requirement and study of insurance coverage for  
3 serious emotional disturbance of a child.

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

5 SECTION 1. Section 1355.001, Insurance Code, is amended by  
6 adding Subdivision (5) to read as follows:

7 (5) "Serious emotional disturbance of a child" means  
8 an emotional or behavioral disorder or a neuropsychiatric condition  
9 that causes a person's functioning to be impaired in thought,  
10 perception, affect, or behavior and that:

11 (A) has been diagnosed or identified, as  
12 applicable, in a person who is at least three years of age and  
13 younger than 18 years of age by:

14 (i) a physician licensed to practice  
15 medicine in this state and practicing within the scope of the  
16 physician's license; or

17 (ii) a psychologist or licensed  
18 professional counselor licensed to practice in this state and  
19 practicing within the scope of the psychologist's or licensed  
20 professional counselor's license; and

21 (B) meets at least one of the following criteria:

22 (i) the disorder substantially impairs the  
23 person's ability in at least two of the following activities or  
24 tasks:

1                   (a) self-care;

2                   (b) engaging in family relationships;

3                   (c) functioning in school; or

4                   (d) functioning in the community;

5                   (ii) the disorder creates a risk that the  
6 person will be removed from the person's home and placed in a more  
7 restrictive environment, including in a facility or program  
8 operated by the Department of Family and Protective Services or an  
9 agency that is part of the juvenile justice system;

10                   (iii) the disorder causes the person to:

11                   (a) display psychotic features or  
12 violent behavior; or

13                   (b) pose a danger to the person's self  
14 or others; or

15                   (iv) the disorder results in the person  
16 meeting state special education eligibility requirements for  
17 emotional disturbance.

18           SECTION 2. Subchapter A, Chapter 1355, Insurance Code, is  
19 amended by adding Section 1355.0041 to read as follows:

20           Sec. 1355.0041. REQUIRED COVERAGE FOR SERIOUS EMOTIONAL  
21 DISTURBANCE OF A CHILD. (a) Notwithstanding Section 1355.002,  
22 this section does not apply to:

23                   (1) a basic plan under Chapter 1575; or

24                   (2) a primary care coverage plan under Chapter 1579.

25           (b) A group health benefit plan:

26                   (1) must provide coverage for serious emotional  
27 disturbance of a child, based on medical necessity, for not less

1 than the following treatments in each calendar year:

2 (A) 45 days of inpatient treatment; and

3 (B) 60 visits for outpatient treatment,

4 including group and individual outpatient treatment;

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

8 (3) must include the same amount limitations,  
9 deductibles, copayments, and coinsurance factors for serious  
10 emotional disturbance of a child as the plan includes for physical  
11 illness.

12 (c) A group health benefit plan issuer:

13 (1) may not count an outpatient visit for medication  
14 management against the number of outpatient visits required to be  
15 covered under Subsection (b)(1)(B); and

16 (2) must provide coverage for an outpatient visit  
17 described by Subsection (b)(1)(B) under the same terms as the  
18 coverage the issuer provides for an outpatient visit for the  
19 treatment of physical illness.

20 (d) The department shall conduct a study to determine and  
21 evaluate the extent to which enrollees are making claims under  
22 coverage for serious emotional disturbance of a child and the  
23 impact, if any, the coverage for serious emotional disturbance of a  
24 child and the claims have on the cost of the coverage for group  
25 health benefit plans.

26 (e) Not later than August 1, 2018, the department shall  
27 submit to the governor, the lieutenant governor, the speaker of the

1 house of representatives, and the appropriate standing committees  
2 of the legislature a report regarding the results of the study  
3 required by Subsection (d), together with any recommendations for  
4 legislation.

5 (f) This subsection and Subsections (d) and (e) expire  
6 September 1, 2019.

7 SECTION 3. Sections 1355.005 and 1355.007, Insurance Code,  
8 are amended to read as follows:

9 Sec. 1355.005. MANAGED CARE PLAN AUTHORIZED. A group  
10 health benefit plan issuer may provide or offer coverage required  
11 by Section 1355.004 or 1355.0041 through a managed care plan.

12 Sec. 1355.007. SMALL EMPLOYER COVERAGE. An issuer of a  
13 group health benefit plan to a small employer must offer the  
14 coverage described by Section 1355.004 or 1355.0041 to the employer  
15 but is not required to provide the coverage if the employer rejects  
16 the coverage.

17 SECTION 4. Section 1355.054(a), Insurance Code, is amended  
18 to read as follows:

19 (a) Benefits of coverage provided under this subchapter may  
20 be used only in a situation in which:

21 (1) the covered individual has a serious mental  
22 illness or serious emotional disturbance of a child as defined by  
23 Section 1355.001 that requires confinement of the individual in a  
24 hospital unless treatment is available through a residential  
25 treatment center for children and adolescents or a crisis  
26 stabilization unit; and

27 (2) the covered individual's mental illness or

1 emotional disturbance:

2 (A) substantially impairs the individual's  
3 thought, perception of reality, emotional process, or judgment; or

4 (B) as manifested by the individual's recent  
5 disturbed behavior, grossly impairs the individual's behavior.

6 SECTION 5. The change in law made by this Act applies only  
7 to a group health benefit plan that is delivered, issued for  
8 delivery, or renewed on or after January 1, 2018. A group health  
9 benefit plan that is delivered, issued for delivery, or renewed  
10 before January 1, 2018, is governed by the law as it existed  
11 immediately before the effective date of this Act, and that law is  
12 continued in effect for that purpose.

13 SECTION 6. This Act takes effect September 1, 2017.