

## **BILL ANALYSIS**

C.S.H.B. 501  
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Insurance  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

There are concerns that children with behavioral or emotional issues may not meet the criteria for a serious mental health illness diagnosis due to the definition of mental illness and that, although federal parity laws mandate equality of health benefit plan coverage between physical and mental health, they do not include a definition of children's mental health disorders. C.S.H.B. 501 seeks to address these concerns by defining "serious emotional disturbance of a child" for applicable Insurance Code provisions and by requiring a group health benefit plan to provide coverage for serious emotional disturbance of a child.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 501 amends the Insurance Code to require a group health benefit plan to provide coverage for serious emotional disturbance of a child as defined by the bill, based on medical necessity, for not less than 45 days of inpatient treatment and 60 visits for outpatient treatment in each calendar year. The bill prohibits a group health benefit plan from including a lifetime limitation on the number of days of inpatient treatment or the number of visits for outpatient treatment covered under the plan and requires such a plan to include the same amount limitations, deductibles, copayments, and coinsurance factors for serious emotional disturbance of a child as the plan includes for physical illness. The bill prohibits a group health benefit plan issuer from counting an outpatient visit for medication management against the number of outpatient visits required to be covered for serious emotional disturbance of a child and requires such an issuer to provide coverage for an outpatient visit for serious emotional disturbance of a child under the same terms as the coverage the issuer provides for an outpatient visit for the treatment of physical illness.

C.S.H.B. 501 exempts from its provisions a basic plan under the Texas Public School Retired Employees Group Benefits Act and a primary care coverage plan under the Texas School Employees Uniform Group Health Coverage Act. The bill includes coverage of serious emotional disturbance of a child among the coverage a group health benefit plan issuer may provide or offer through a managed care plan and among the coverage a group health benefit plan issuer must offer to a small employer but is not required to provide if the employer rejects the coverage. The bill includes serious emotional disturbance of a child in the applicability of statutory provisions providing coverage for alternative mental health treatment benefits.

C.S.H.B. 501 requires the Texas Department of Insurance (TDI) to conduct a study to determine and evaluate the extent to which enrollees are making claims under coverage for serious emotional disturbance of a child and the impact, if any, the coverage for serious emotional disturbance of a child and the claims have on the cost of the coverage for group health benefit plans. The bill requires TDI, not later than August 1, 2020, to submit to the governor, the lieutenant governor, the speaker of the house of representatives, and the appropriate standing committees of the legislature a report regarding the results of the study together with any recommendations for legislation. The bill's provisions relating to the study and the report expire September 1, 2021.

C.S.H.B. 501 applies only to a group health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2020.

**EFFECTIVE DATE**

September 1, 2019.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 501 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute changes the definition of "serious emotional disturbance of a child" to include a licensed marriage and family therapist and a licensed clinical social worker as licensed professionals who diagnose or identify the disturbance for purposes of the coverage requirements.