

## **BILL ANALYSIS**

H.B. 240  
By: Thompson, Senfronia  
Insurance  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The State of Texas has long recognized that children and adults have different criteria for mental health diagnoses and need different services. Currently, the Insurance Code defines serious mental illness according to the American Psychiatric Association's Diagnostic and Statistical Manual. This definition is limited to persons 18 years of age or older. As such, many times children under the age of 18 with behavioral or emotional issues do not meet the criteria for a diagnosis of serious mental illness under state law. While most health plans currently cover children's mental health services, some children may face barriers in accessing their care due to this overly restrictive definition. H.B. 240 seeks to ensure that children suffering from mental health issues receive the care and services they need while also ensuring compliance with federal law that requires parity in coverage between physical and mental health services by establishing health insurance coverage requirements 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**

H.B. 240 amends the Insurance Code to establish certain insurance coverage requirements for serious emotional disturbance of a child by doing the following:

- requiring a group health benefit plan to provide coverage for serious emotional disturbance of a child, based on medical necessity, for not less than 45 days of inpatient treatment and 60 visits for outpatient treatment in each calendar year;
- prohibiting 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;
- requiring a group health benefit plan to include the same amount of limitations, deductibles, copayments, and coinsurance factors for serious emotional disturbance of a child as the plan includes for physical illness;
- prohibiting 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
- requiring a group health benefit plan 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.

The bill defines "serious emotional disturbance of a child" and exempts TRS-Care and TRS-ActiveCare from these coverage requirements.

H.B. 240 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 plan issuer must offer a small employer but is not required to provide if the employer rejects the coverage. The bill includes serious emotional disturbance of a child among the conditions which may qualify a covered individual to receive alternative mental health treatment benefits under certain circumstances.

H.B. 240 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 and the claims have on the cost of the coverage for group health benefit plans. The bill requires TDI, not later than August 1, 2022, 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. These provisions expire September 1, 2023.

H.B. 240 applies only to a group health benefit plan delivered, issued for delivery, or renewed on or after January 1, 2022.

**EFFECTIVE DATE**

September 1, 2021.