

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE
4

5 Legislative Document

No. 1023

6
7 S.P. 349

In Senate, March 4, 1983

8 Referred to the Committee on Business Legislation. Sent down for
9 concurrence and ordered printed.

10 JOY J. O'BRIEN, Secretary of the Senate

Presented by Senator Clark of Cumberland.

Cosponsors: Senator Gill of Cumberland and Representative Joseph of
11 Waterville.

12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-THREE
16

17 AN ACT to Provide Equitable Mental Health
18 Insurance.
19

20 Be it enacted by the People of the State of Maine as
21 follows:

22 Sec. 1. 24 MRSA §2303, sub-§1, as repealed and
23 replaced by PL 1975, c. 581, is amended to read:

24 1. Such corporation mentioned in section 2301
25 may enter into contracts for the rendering of health
26 care to the subscribers only with institutions or
27 persons licensed or accredited by the appropriate
28 departments, commissions or boards of the several
29 states. All contracts for the provision of health
30 care issued by such the corporation shall constitute
31 direct obligations of the provider of health care
32 with which such the corporation has contracted for
33 such that care. Contracts issued under a health care
34 plan shall provide that the private provider-patient

1 relationship shall exist between the patient and
2 provider of health care, that the patient shall have
3 a free choice of any provider of health care able and
4 willing to provide ~~such~~ those services, all of which
5 shall be based upon definite agreements covering
6 health care provided through duly licensed providers,
7 and any such provider of health care shall be free to
8 refuse service for appropriate professional reasons.
9 Nothing in this section ~~shall~~ may be construed to
10 prohibit reciprocal arrangements for the exchange of
11 health care between similar nonprofit hospital and
12 medical service plans.

13 Sec. 2. 24 MRSA §2303, sub-§3, as amended by PL
14 1975, c. 581, is repealed.

15 Sec. 3. 24 MRSA §2325, as amended by PL 1979, c.
16 663, §139, is repealed.

17 Sec. 4. 24 MRSA §2325-A is enacted to read:

18 §2325-A. Mental health services coverage

19 1. Definitions. For purposes of this section,
20 unless the context otherwise indicates, the following
21 terms have the following meanings.

22 A. "Day treatment services" includes psychoedu-
23 cational, physiological, psychological and psy-
24 chosocial concepts, techniques and processes to
25 maintain or develop functional skills of clients,
26 provided to individuals and groups for periods of
27 more than 2 hours but less than 24 hours per day.

28 B. "Inpatient services" includes a range of
29 physiological, psychological and other inter-
30 vention concepts, techniques and processes in a
31 community mental health psychiatric inpatient
32 unit, general hospital psychiatric unit or
33 psychiatric hospital licensed by the Department
34 of Human Services or accredited public hospital
35 to restore psychosocial functioning sufficient to
36 allow maintenance and support of the client in a
37 less restrictive setting.

38 C. "Outpatient services" includes screening,
39 evaluation, consultations, diagnosis and treat-

1 ment involving use of psychoeducational,
2 physiological, psychological and psychosocial
3 evaluative and interventive concepts, techniques
4 and processes provided to individuals and groups.

5 D. "Person suffering from a mental or nervous
6 condition" means a person whose psychobiological
7 processes are impaired severely enough to mani-
8 fest problems in the areas of social, psycho-
9 logical or biological functioning. Such a person
10 has a disorder of thought, mood, perception,
11 orientation or memory which impairs judgment,
12 behavior, capacity to recognize or ability to
13 cope with the ordinary demands of life. The
14 person manifests an impaired capacity to maintain
15 acceptable levels of functioning in the areas of
16 intellect, emotion or physical well-being.

17 E. "Provider" means those individuals included
18 in section 2303, subsection 2, and a licensed
19 physician with 3 years approved residency in psy-
20 chiatry, an accredited public hospital or psychi-
21 atric hospital or a community agency licensed at
22 the comprehensive service level by the Department
23 of Mental Health and Mental Retardation. All
24 agency or institutional providers named in this
25 paragraph shall assure that services are super-
26 vised by a psychiatrist or licensed psychologist.

27 2. Coverage. Every policy of accident or health
28 insurance providing hospitalization or medical bene-
29 fit, and any certificates thereunder, which is deliv-
30 ered, issued for delivery, renewed, continued or used
31 in this State by nonprofit hospitals or medical ser-
32 vice organizations included in section 2301 shall
33 provide benefits for conditions arising from mental
34 illness which are equitable to coverage for any other
35 illness, but are at least equal to the following:

36 A. Benefits for inpatient care for a person suf-
37 fering from a mental or nervous condition shall
38 be at a minimum no less than 60 days of active
39 care per policy year.

40 B. Benefits for day treatment services for a
41 person suffering from a mental or nervous condi-
42 tion shall be provided to a minimum of 120 days

1 per policy year. Of this amount, 60 days repre-
2 sents a basic coverage and an additional 60 days
3 represents a possible 2 to 1 trade-off for 30
4 days from inpatient benefits.

5 C. Benefits for outpatient services for a person
6 suffering from a mental or nervous condition
7 shall be at a minimum:

8 (1) Forty visits per policy year; and

9 (2) The reasonable charges for these ser-
10 vices shall be included as covered medical
11 expenses, and benefits shall be payable at a
12 minimum rate of 80% of usual, customary and
13 reasonable charges.

14 3. Peer review extension mechanism. The Super-
15 intendent of Insurance, pursuant to section 2305,
16 shall assure that contracts offered to providers
17 shall include provision for a peer review mechanism
18 with functions to include a mechanism to extend cov-
19 erage based on characteristics of particular cases.

20 4. Contracts; providers. Subject to the
21 approval by the Superintendent of Insurance pursuant
22 to section 2305, a nonprofit hospital or medical ser-
23 vice organization incorporated under this chapter
24 shall offer contracts to providers authorizing the
25 provision of mental health services within the scope
26 of the provider's licensure.

27 Sec. 5. 24-A MRSA §2748 is enacted to read:

28 1. Definitions. For purposes of this section,
29 unless the context otherwise indicates, the following
30 terms have the following meanings.

31 A. "Day treatment services" includes psychoedu-
32 cational, physiological, psychological and psy-
33 chosocial concepts, techniques and processes to
34 maintain or develop functional skills of clients,
35 provided to individuals and groups for periods of
36 more than 2 hours but less than 24 hours per day.

37 B. "Inpatient services" includes a range of
38 physiological, psychological and other inter-

1 vention concepts, techniques and processes in a
2 community mental health psychiatric inpatient
3 unit, general hospital psychiatric unit or
4 psychiatric hospital licensed by the Department
5 of Human Services or accredited public hospital
6 to restore psychosocial functioning sufficient to
7 allow maintenance and support of the client in a
8 less restrictive setting.

9 C. "Outpatient services" includes screening,
10 evaluation, consultations, diagnosis and treat-
11 ment involving use of psychoeducational, physio-
12 logical, psychological and psychosocial
13 evaluative and interventive concepts, techniques
14 and processes provided to individuals and groups.

15 D. "Person suffering from a mental or nervous
16 condition" means a person whose psychobiological
17 processes are impaired severely enough to mani-
18 fest problems in the areas of social, psycho-
19 logical or biological functioning. Such a person
20 has a disorder of thought, mood, perception,
21 orientation or memory which impairs judgment,
22 behavior, capacity to recognize or ability to
23 cope with the ordinary demands of life. The
24 person manifests an impaired capacity to maintain
25 acceptable levels of functioning in the areas of
26 intellect, emotion or physical well-being, or
27 both.

28 E. "Provider" means those individuals included
29 in section 2744 and a licensed physician with 3
30 years approved residency in psychiatry or li-
31 icensed psychologist, an accredited public hospi-
32 tal or licensed general or psychiatric hospital,
33 a community agency licensed at the comprehensive
34 service level by the Department of Mental Health
35 and Mental Retardation. All agency or institu-
36 tional providers named in this paragraph shall
37 assure that services are supervised by a psychia-
38 trist or licensed psychologist.

39 2. Coverage. Every policy of accident or health
40 insurance providing hospitalization or medical bene-
41 fit, and any certificates thereunder, which is deliv-
42 ered, issued for delivery, renewed or used in this
43 State by insurers covered by this chapter shall pro-

1 vide benefits for conditions arising from mental ill-
2 ness which are equitable to coverage for any other
3 illness, but are at least equal to the following:

4 A. Benefits for inpatient care for a person suf-
5 fering from a mental or nervous condition shall
6 be at least as favorable as similar benefits pro-
7 vided for any other illness, except that the
8 period of confinement for which benefits are pay-
9 able shall be no less than 60 days of active care
10 per policy year.

11 B. Benefits for day treatment services for a
12 person suffering from a mental or nervous condi-
13 tion shall be provided to a minimum of 120 days
14 per policy year. Of this amount, 60 days repre-
15 sents a basic coverage and an additional 60 days
16 represents a possible 2 to 1 trade-off for 30
17 days from inpatient benefits.

18 C. Benefits for outpatient services for a person
19 suffering from a mental or nervous condition
20 shall be at a minimum:

21 (1) Forty visits per policy year; and

22 (2) The reasonable charges for the services
23 shall be included as covered medical
24 expenses, and benefits shall be payable at a
25 minium rate of 80% of usual, customary and
26 reasonable charges.

27 3. Peer review extension mechanism. The Super-
28 intendent of Insurance, pursuant to section 2305,
29 shall assure that contracts offered to providers
30 shall include provision for a peer review mechanism
31 with functions to include a mechanism to extend cov-
32 erage based on characteristics of particular cases.

33 4. Contracts; providers. Subject to the
34 approval by the Superintendent of Insurance pursuant
35 to this chapter, insurers covered under this chapter
36 shall offer contracts to providers authorizing the
37 provision of mental health services within the scope
38 of the provider's licensure.

39 Sec. 6. 24-A MRSA §2838, as amended by PL 1979,
40 c. 663, §148, is repealed.

1 Sec. 7. 24-A MRSA §2843 is enacted to read:

2 §2843. Community health services coverage.

3 1. Definitions. For purposes of this section,
4 unless the context otherwise indicates, the following
5 terms have the following meanings.

6 A. "Day treatment services" includes psychoed-
7 ucational, physiological, psychological and
8 psychosocial concepts, techniques and processes
9 to maintain or develop functional skills of
10 clients, provided to individuals and groups for
11 periods of more than 2 hours but less than 24
12 hours per day.

13 B. "Inpatient services" includes a range of
14 physiological, psychological and other inter-
15 vention concepts, techniques and processes in a
16 community mental health psychiatric inpatient
17 unit, general hospital psychiatric unit or
18 psychiatric hospital licensed by the Department
19 of Human Services or accredited public hospital
20 to restore psychosocial functioning sufficient to
21 allow maintenance and support of the client in a
22 less restrictive setting.

23 C. "Outpatient services" includes screening,
24 evaluation, consultations, diagnosis and treat-
25 ment involving use of psychoeducational, physio-
26 logical, psychological and psychosocial evalua-
27 tive and interventive concepts, techniques and
28 processes provided to individuals and groups.

29 D. "Person suffering from a mental or nervous
30 condition" means a person whose psychobiological
31 processes are impaired severely enough to mani-
32 fest problems in the areas of social, psycho-
33 logical or biological functioning, or both. Such
34 a person has a disorder of thought, mood, percep-
35 tion, orientation or memory which impairs judg-
36 ment, behavior, capacity to recognize or ability
37 to cope with the ordinary demands of life. The
38 person manifests an impaired capacity to maintain
39 acceptable levels of functioning in the areas of
40 intellect, emotion or physical well-being.

1 E. "Provider" means individuals included in
2 section 2835 and a licensed physician with 3
3 years approved residency in psychiatry or li-
4 icensed psychologist, an accredited public hospi-
5 tal or licensed general or psychiatric hospital
6 or a community agency licensed at the comprehen-
7 sive service level by the Department of Mental
8 Health or Mental Retardation. All agency or
9 institutional providers named in this paragraph
10 shall assure that services are supervised by a
11 psychiatrist or licensed psychologist.

12 2. Coverage. Every policy of accident or health
13 insurance providing hospitalization or medical bene-
14 fit, and any certificates thereunder, which is deliv-
15 ered, issued for delivery, renewed, continued or used
16 in this State by insurers covered under this chapter
17 shall provide benefits for conditions arising from
18 mental illness which are equitable to coverage for
19 any other illness but are at least equal to the fol-
20 lowing:

21 A. Inpatient services. Benefits for inpatient
22 care for a person suffering from a mental or
23 nervous condition shall be at least as favorable
24 as similar benefits provided for any other ill-
25 ness, except that the period of confinement for
26 which benefits are payable shall be no less than
27 60 days of active care per policy year.

28 B. Benefits for day treatment services for a
29 person suffering from a mental or nervous condi-
30 tion shall be provided to a minimum of 120 days
31 per policy year. Of this amount, 60 days repre-
32 sents a basic coverage and an additional 60 days
33 represents a possible 2 to 1 trade-off for 30
34 days from inpatient benefits.

35 C. Benefits for outpatient services for a person
36 suffering from a mental or nervous condition
37 shall be at a minimum:

38 (1) Forty visits per policy year; and

39 (2) The reasonable charges for these ser-
40 vices shall be included as covered medical
41 expenses, and benefits shall be payable at a

1 minimum rate of 80% of usual, customary and
2 reasonable charges.

3 3. Peer review extension mechanism. The Super-
4 intendent of Insurance, pursuant to section 2305,
5 shall assure that contracts offered to providers
6 shall include provision for a peer review mechanism
7 with functions to include a mechanism to extend cov-
8 erage based on characteristics of particular cases.

9 4. Contracts; providers. Subject to the
10 approval by the Superintendent of Insurance pursuant
11 to this chapter, an organization incorporated under
12 this chapter shall offer contracts to providers
13 authorizing the provision of mental health services
14 within the scope of the provider's licensure.

15 STATEMENT OF FACT

16 The purpose of this bill is to change the current
17 option of including mental health coverage in all
18 health, hospitalization or accident insurance poli-
19 cies in Maine to inclusion of mental health coverage
20 which is equitable to physical health coverage.

21 The benefits of providing mental health coverage,
22 as now done in 11 other states, include reduction in
23 physical health care expenditures, assurance of
24 appropriate public and private responsibilities for
25 financing of mental health care, elimination of dis-
26 crimination against those people who are mentally ill
27 and a basis for promoting mental health intervention
28 earlier and more appropriately. The relatively small
29 initial increase in costs with the addition of mental
30 health will, in a short time, become an overall
31 reduction in total health care costs.

32 This bill recognizes that mental or nervous con-
33 ditions require and deserve similar treatment in
34 insurance policies to that provided for other ill-
35 nesses. At the same time, the bill establishes
36 rational, objective limits to coverage provided.
37 Another cost factor has been addressed in specifying
38 the types of care and providers which may be used.

1 This bill is expected to have a fiscal impact on
2 the State in that estimated revenues from state
3 hospital services are expected to exceed increased
4 premiums for state employees.

5 The basis for the bill's construction is as fol-
6 lows:

7 Sections 1 and 2 amend Title 24, section 2303,
8 which applies to contracts issued by nonprofit hospi-
9 tals or medical service organizations, but with spe-
10 cific provisions for mental health services put forth
11 in sections 3 and 4.

12 Section 4 replaces current optional provisions
13 with specific coverages for nonprofit insurers.

14 Section 5 provides for similar coverage for indi-
15 vidual health insurance policies. Section 5 relates
16 to group and blanket health insurance policies.
17 Section 6 repeals the current provisions in the group
18 and blanket health insurance law regarding community
19 mental health centers, since this subject is ad-
20 dressed in the more comprehensive section 7.

21 0336020183