

MAINE STATE LEGISLATURE

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(New Draft of S.P. 349, L.D. 1023)

FIRST REGULAR SESSION

ONE HUNDRED AND ELEVENTH LEGISLATURE

Legislative Document No. 1718

S.P. 596 In Senate, May 31, 1983

Reported by Minority Report from the Committee on Business Legislation and printed under Joint Rule 2.

Original bill presented by Senator Clark of Cumberland. Cosponsored by Senator Gill of Cumberland and Representative Joseph of Waterville.

JOY J. O'BRIEN, Secretary of the Senate

STATE OF MAINE

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

AN ACT to Provide Equitable Mental
Health Insurance.

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

Sec. 1. 24 MRSA §2303, sub-§1, as repealed and replaced by PL 1975, c. 581, is amended to read:

1. Such corporation mentioned in section 2301 may enter into contracts for the rendering of health care to the subscribers only with institutions or persons licensed or accredited by the appropriate departments, commissions or boards of the several states. All contracts for the provision of health care issued by ~~such~~ the corporation shall constitute direct obligations of the provider of health care with which ~~such~~ the corporation has contracted for ~~such~~ that care. Contracts issued under a health care 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13 Sec. 2. 24 MRSA §2303, sub-§3, as repealed and
14 replaced by PL 1975, c. 581, is repealed.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16 663, §139, is repealed.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. Findings. The Legislature finds that:

20 A. Mental illness affects nearly 170,000 Maine
21 people each year, resulting in anguish, grief,
22 desperation, fear, isolation and a sense of
23 hopelessness of significant levels among victims
24 and families;

25 B. Consequences of mental illness include the
26 expenditure of millions of dollars of public
27 funds for treatment and losses of millions of
28 dollars by Maine businesses in accidents, absen-
29 teeism, nonproductivity and turnover. Excessive
30 stress and anxiety and other forms of mental ill-
31 ness clearly contribute to general health prob-
32 lems and costs;

33 C. Typical health coverage in this State dis-
34 criminate against mental illness, the victims
35 and affected families with nonexistent or limited
36 benefits compared to provisions for other ill-
37 nesses; and

1 D. Experience in this State and several other
2 states demonstrates that the risk of mental ill-
3 ness can be insured at reasonable cost and with
4 adequate controls on quality and utilization of
5 treatment.

6 2. Policy and purpose. The Legislature declares
7 that it is the policy of this State to:

8 A. Promote equitable and nondiscriminatory
9 health coverage benefits for all forms of ill-
10 ness, including mental and emotional disorders,
11 which are of significant consequence to the
12 health of Maine people and which can be treated
13 in a cost-effective manner;

14 B. Assure that victims of mental and other ill-
15 nesses have access to and choice of appropriate
16 treatment at the earliest point of illness in
17 least restrictive settings;

18 C. Assure that costs of treatment of mental ill-
19 ness are supported through an equitable combina-
20 tion of public and private responsibilities; and

21 D. Assure that the Legislature reasonably exer-
22 cises its legal responsibility for insurance
23 policy in this State by prescribing types of ill-
24 nesses and treatment for which benefits shall be
25 provided.

26 3. Definitions. For purposes of this section,
27 unless the context otherwise indicates, the following
28 terms have the following meanings.

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

35 B. "Inpatient services" includes a range of
36 physiological, psychological and other inter-
37 vention concepts, techniques and processes in a
38 community mental health psychiatric inpatient
39 unit, general hospital psychiatric unit or

1 psychiatric hospital licensed by the Department
2 of Human Services or accredited public hospital
3 to restore psychosocial functioning sufficient to
4 allow maintenance and support of the client in a
5 less restrictive setting.

6 C. "Outpatient services" includes screening,
7 evaluation, consultations, diagnosis and treat-
8 ment involving use of psychoeducational,
9 physiological, psychological and psychosocial,
10 evaluative and interventive concepts, techniques
11 and processes provided to individuals and groups.

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

24 E. "Provider" means those individuals included
25 in Title 24, section 2303, subsection 2, and a
26 licensed physician with 3 years approved resi-
27 dency in psychiatry, an accredited public hospi-
28 tal or psychiatric hospital or a community agency
29 licensed at the comprehensive service level by
30 the Department of Mental Health and Mental Retar-
31 dation. All agency or institutional providers
32 named in this paragraph shall assure that ser-
33 vices are supervised by a psychiatrist or li-
34 censed psychologist.

35 4. Requirement. Every nonprofit hospital or
36 medical service organization which issues group
37 health care contracts providing coverage for hospital
38 care to residents of this State shall provide bene-
39 fits as required in this section to any subscriber or
40 other person covered under those contracts for condi-
41 tions arising from mental illness.

1 5. Services. Each group contract shall provide,
2 at a minimum, for the following benefits for a person
3 suffering from a mental or nervous condition:

4 A. Inpatient care;

5 B. Day treatment services; and

6 C. Outpatient services.

7 6. Contracts; providers. Subject to the
8 approval by the Superintendent of Insurance pursuant
9 to section 2305, a nonprofit hospital or medical ser-
10 vice organization incorporated under this chapter
11 shall offer contracts to providers authorizing the
12 provision of mental health services within the scope
13 of the provider's licensure.

14 7. Limits; coinsurance; deductibles. Any policy
15 or contract which provides coverage for the services
16 required by this section may contain provisions for
17 maximum benefits and coinsurance and reasonable
18 limitations, deductibles and exclusions to the extent
19 that these provisions are not inconsistent with the
20 requirements of this section.

21 8. Reports to the Superintendent of Insurance.
22 Every nonprofit hospital or medical service organiza-
23 tion subject to this section shall report its experi-
24 ence for each calendar year beginning with 1984 to
25 the superintendent not later than April 30th of the
26 following year. The report shall be in a form pre-
27 scribed by the superintendent and shall include the
28 amount of claims paid in this State for the services
29 required by this section and the total amount of
30 claims paid in this State for group health care con-
31 tracts, both separated between those paid for inpa-
32 tient, day treatment and outpatient services. The
33 superintendent shall compile this data for all non-
34 profit hospital or medical service organizations in
35 an annual report.

36 9. Application; expiration. The requirements of
37 this section shall apply to all policies executed,
38 delivered, issued for delivery or renewed in this
39 State on or after January 1, 1984. The requirements
40 of this section shall expire on January 1, 1988.

1 Sec. 5. 24-A MRSA §2838, as amended by PL 1979,
2 c. 663, §148, is repealed.

3 Sec. 6. 24-A MRSA §2843 is enacted to read:

4 §2843. Mental health services coverage

5 1. Findings. The Legislature finds that:

6 A. Mental illness affects nearly 170,000 Maine
7 people each year, resulting in anguish, grief,
8 desperation, fear, isolation and a sense of
9 hopelessness of significant levels among victims
10 and families;

11 B. Consequences of mental illness include the
12 expenditure of millions of dollars of public
13 funds for treatment and losses of millions of
14 dollars by Maine businesses in accidents, absen-
15 teeism, nonproductivity and turnover. Excessive
16 stress and anxiety and other forms of mental ill-
17 ness clearly contribute to general health prob-
18 lems and costs;

19 C. Typical health coverage in this State dis-
20 criminate against mental illness, the victims
21 and affected families with nonexistent or limited
22 benefits compared to provisions for other ill-
23 nesses; and

24 D. Experience in this State and several other
25 states demonstrates that the risk of mental ill-
26 ness can be insured at reasonable cost and with
27 adequate controls on quality and utilization of
28 treatment.

29 2. Policy and purpose. The Legislature declares
30 that it is the policy of this State to:

31 A. Promote equitable and nondiscriminatory
32 health coverage benefits for all forms of ill-
33 ness, including mental and emotional disorders,
34 which are of significant consequence to the
35 health of Maine people and which can be treated
36 in a cost effective manner;

1 B. Assure that victims of mental and other ill-
2 nesses have access to and choice of appropriate
3 treatment at the earliest point of illness in
4 least restrictive settings;

5 C. Assure that costs of treatment of mental ill-
6 ness are supported through an equitable combina-
7 tion of public and private responsibilities; and

8 D. Assure that the Legislature reasonably exer-
9 cises its legal responsibility for insurance
10 policy in this State by prescribing types of ill-
11 nesses and treatment for which benefits shall be
12 provided.

13 3. Definitions. For purposes of this section,
14 unless the context otherwise indicates, the following
15 terms have the following meanings.

16 A. "Day treatment services" includes psychoed-
17 ucational, physiological, psychological and
18 psychosocial concepts, techniques and processes
19 to maintain or develop functional skills of
20 clients, provided to individuals and groups for
21 periods of more than 2 hours but less than 24
22 hours per day.

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

33 C. "Outpatient services" includes screening,
34 evaluation, consultations, diagnosis and treat-
35 ment involving use of psychoeducational, physio-
36 logical, psychological and psychosocial evalua-
37 tive and interventive concepts, techniques and
38 processes provided to individuals and groups.

39 D. "Person suffering from a mental or nervous
40 condition" means a person whose psychobiological

1 processes are impaired severely enough to mani-
2 fest problems in the areas of social, psycho-
3 logical or biological functioning. Such a person
4 has a disorder of thought, mood, perception,
5 orientation or memory which impairs judgment,
6 behavior, capacity to recognize or ability to
7 cope with the ordinary demands of life. The
8 person manifests an impaired capacity to maintain
9 acceptable levels of functioning in the areas of
10 intellect, emotion or physical well-being.

11 E. "Provider" means individuals included in
12 Title 24, section 2303, subsection 2, and a li-
13 icensed physician with 3 years approved residency
14 in psychiatry, an accredited public hospital or
15 psychiatric hospital or a community agency li-
16 icensed at the comprehensive service level by the
17 Department of Mental Health and Mental Retarda-
18 tion. All agency or institutional providers
19 named in this paragraph shall assure that ser-
20 vices are supervised by a psychiatrist or li-
21 icensed psychologist.

22 4. Requirement. Every insurer which issues
23 group health care contracts providing coverage for
24 hospital care to residents of this State shall pro-
25 vide benefits as required in this section to any sub-
26 scriber or other person covered under those contracts
27 for conditions arising from mental illness.

28 5. Services. Each group contract shall provide,
29 at a minimum, for the following benefits for a person
30 suffering from a mental or nervous condition:

31 A. Inpatient care;

32 B. Day treatment services; and

33 C. Outpatient services.

34 6. Limits; coinsurance; deductibles. Any policy
35 or contract which provides coverage for the services
36 required by this section may contain provisions for
37 maximum benefits and coinsurance and reasonable
38 limitations, deductibles and exclusions to the extent
39 that these provisions are not inconsistent with the
40 requirements of this section.

1 2. The required services are specified and
2 insurers would be allowed to set reasonable limits on
3 the benefits provided in this area, along with
4 reasonable deductibles and coinsurance.

5 3. The requirement would be effective January 1,
6 1984 and has a 4-year sunset.

7 4. Insurers would be required to report their
8 experience under this requirement to the Superinten-
9 dent of Insurance.

10 5. A statement of findings, purpose and intent
11 is added.

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