

# MAINE STATE LEGISLATURE

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L.D. 183

(Filing No. S-377)

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**STATE OF MAINE  
SENATE  
116TH LEGISLATURE  
FIRST REGULAR SESSION**

SENATE AMENDMENT "E" to H.P. 138, L.D. 183, Bill, "An Act  
to Remove the Repeal Date from the Laws Governing Equitable  
Insurance Coverage for Mental Illness"

Further amend the bill by striking out all of the emergency  
preamble.

Further amend the bill by striking out everything after the  
enacting clause and before the statement of fact and inserting in  
its place the following:

Sec. 1. 24 MRSA §2325-A, sub-§5-C is enacted to read:

5-C. Coverage for certain mental illness treatment.  
Coverage for medical treatment for mental illnesses listed in  
paragraph A is subject to this subsection. Nothing in this  
subsection requires benefit levels or maximum lifetime or annual  
benefits for medical treatment for mental illness that exceed the  
benefit levels or maximum lifetime or annual benefits for other  
illnesses and diseases.

A. All group contracts must provide at a minimum benefits  
according to paragraph B, subparagraphs (1) to (3) for the  
usual, customary and reasonable charges for a person  
receiving medical treatment for:

(1) Schizophrenia;

(2) Bipolar disorder;

(3) Pervasive developmental disorder, or autism;

**SENATE AMENDMENT**

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- (4) Childhood schizophrenia;
- (5) Psychotic depression, or involuntional melancholia;
- (6) Paranoia;
- (7) Panic disorder;
- (8) Obsessive-compulsive disorder; or
- (9) Major depressive disorder.

B. All policies and certificates executed, delivered, issued for delivery, continued or renewed in this State on or after January 1, 1994 must provide benefits that meet the requirements of this paragraph. For purposes of this paragraph, all contracts are deemed to be renewed no later than the next yearly anniversary of the contract date.

- (1) The contracts must provide inpatient care benefits of at least 60 days per calendar year.
- (2) The contracts must provide outpatient care benefits of at least \$2,000 for any combination of outpatient and day treatment care. The minimum level of benefits provided must be at least 50% of the usual, customary and reasonable charge.
- (3) The contracts must contain a maximum lifetime benefit of at least \$100,000 for the aggregate costs associated with a mental illness.

This subsection is repealed July 1, 1995.

Sec. 2. 24 MRSA §2325-A, sub-§9, as amended by PL 1991, c. 881, §2 and affected by §§7 and 8, is repealed and the following enacted in its place:

9. Application; expiration. Except as otherwise provided, the requirements of this section apply to all policies and any certificates executed, delivered, issued for delivery, continued or renewed in this State on or after January 1, 1984. For purposes of this section, all contracts are deemed to be renewed no later than the next yearly anniversary of the contract date. This subsection does not apply to certificates covering employees of employers with 12 or fewer employees, whether the group policy is issued to the employer, to an association or to a multiple employer trust. Such employers are subject to the provisions of chapter 330 of the Bureau of Insurance rules unless exempted by virtue of Title 24, section 2325-A, subsection 5-A or Title 24-A, section 2842, subsection 5.

Sec. 3. 24-A MRSA §2843, sub-§5-C is enacted to read:

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5-C. Coverage for certain mental illness treatment.  
Coverage for medical treatment for mental illnesses listed in paragraph A is subject to this subsection. Nothing in this subsection requires benefit levels or maximum lifetime or annual benefits for medical treatment for mental illness that exceed the benefit levels or maximum lifetime or annual benefits for other illnesses and diseases.

A. All group contracts must provide at a minimum benefits according to paragraph B, subparagraphs (1) to (3) for the usual, customary and reasonable charges for a person receiving medical treatment for:

- (1) Schizophrenia;
- (2) Bipolar disorder;
- (3) Pervasive developmental disorder, or autism;
- (4) Childhood schizophrenia;
- (5) Psychotic depression, or involuntional melancholia;
- (6) Paranoia;
- (7) Panic disorder;
- (8) Obsessive-compulsive disorder; or
- (9) Major depressive disorder.

B. All policies and certificates executed, delivered, issued for delivery, continued or renewed in this State on or after January 1, 1994 must provide benefits that meet the requirements of this paragraph. For purposes of this paragraph, all contracts are deemed to be renewed no later than the next yearly anniversary of the contract date.

- (1) The contracts must provide inpatient care benefits of at least 60 days per calendar year.
- (2) The contracts must provide outpatient care benefits of at least \$2,000 for any combination of outpatient and day treatment care. The minimum level of benefits provided must be at least 50% of the usual, customary and reasonable charge.
- (3) The contracts must contain a maximum lifetime benefit of at least \$100,000 for the aggregate costs associated with a mental illness.

2 This subsection is repealed July 1, 1995.

4 **Sec. 4. 24-A MRSA §2843, sub-§8,** as amended by PL 1991, c.  
6 881, §4 and affected by §§7 and 8, is repealed and the following  
enacted in its place:

8 **8. Application; expiration.** Except as otherwise provided,  
10 the requirements of this section apply to all policies and any  
certificates executed, delivered, issued for delivery, continued  
12 or renewed in this State on or after January 1, 1984. For  
purposes of this section, all contracts are deemed to be renewed  
14 no later than the next yearly anniversary of the contract date.  
This subsection does not apply to certificates covering employees  
16 of employers with 12 or fewer employees, whether the group policy  
is issued to the employer, to an association or to a multiple  
18 employer trust. Such employers are subject to the provisions of  
chapter 330 of the Bureau of Insurance rules unless exempted by  
20 virtue of Title 24, section 2325-A, subsection 5-A or Title 24-A,  
section 2842, subsection 5.

22 **Sec. 5. Expenditures in excess of allocations.** Expenditures  
24 required by this Act of funds other than the General Fund or the  
Highway Fund are authorized to exceed legislative allocations  
26 during the fiscal biennium. Appropriate adjustments to basic  
work programs facilitating these expenditures in excess of  
28 allocations must be recommended by the State Budget Officer and  
approved by the Governor.

30 **Sec. 6. Report on costs of mental illness benefits.** On or before  
32 May 1, 1995, Blue Cross-Blue Shield of Maine and the Bureau of  
Insurance shall report to the joint standing committee of the  
34 Legislature having jurisdiction over appropriations and financial  
affairs and to the joint standing committee of the Legislature  
36 having jurisdiction over banking and insurance matters on the  
cost of providing coverage for mental illnesses according to the  
38 requirements of this Act for employees of the State and for  
private employers.

40 **Sec. 7. Appropriation.** The following funds are appropriated  
42 from the General Fund to carry out the purposes of this Act.

1994-95

44 **ADMINISTRATIVE AND FINANCIAL**  
46 **SERVICES, DEPARTMENT OF**

48 **Departments and Agencies -**  
50 **Statewide**

Personal Services \$49,036

Provides for the appropriation of funds associated with an increase in health insurance costs due to an expansion of mental health coverage.

**Sec. 8. Allocation.** The following funds are allocated from the Highway Fund to carry out the purposes of this Act.

1994-95

**ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

**Departments and Agencies - Statewide**

Personal Services \$14,898

Provides for the allocation of funds associated with an increase in health insurance costs due to an expansion of mental health coverage.

**FISCAL NOTE**

1993-94

1994-95

**APPROPRIATIONS/ALLOCATIONS**

General Fund	\$49,036
Highway Fund	14,898

This bill reestablishes in amended form laws that expand coverage for certain mental illnesses and will increase the cost of the State's employee health insurance program beginning in fiscal year 1994-95. A General Fund appropriation of \$49,036 in fiscal year 1994-95 and a Highway Fund allocation of \$14,898 in fiscal year 1994-95 will be required. The costs to accounts in other funds may require increased allotments to meet these additional personal services expenditures.

It is not possible to determine the impact of this expanded coverage on the Medicaid program or any other health programs.'

STATEMENT OF FACT

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This amendment modifies the laws governing equitable insurance coverage for mental illness as enacted by Public Law 1991, chapter 881.

This amendment establishes a new minimum mandatory benefits schedule for mental illness for group insurance policies covering more than 20 beneficiaries beginning on January 1, 1994. It increases inpatient coverage from 30 days per year to 60 days. It increases outpatient coverage from \$1,000 per year to \$2,000. The amendment retains the current copayment level of 50%. Also, it raises the lifetime cap on coverage from \$25,000 to \$100,000. The amendment includes a new repeal date of July 1, 1995.

The increased coverage required by the bill applies only to groups of more than 20 persons. Furthermore, the amendment exempts small businesses with 12 or fewer employees from the increased coverage requirement even if they purchase coverage through a larger group such as a trade association. It eliminates the 2nd, 3rd and 4th transition phases that required additional increases in coverage which were contained in the original bill.

Finally, the amendment requires the Bureau of Insurance and Blue Cross-Blue Shield of Maine to report to the Legislature on the costs associated with the increased coverage by May 1, 1995.

(Senator PEARSON)

SPONSORED BY:

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COUNTY: Penobscot

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