

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



119th MAINE LEGISLATURE

FIRST REGULAR SESSION-1999

Legislative Document

No. 1158

H.P. 835

House of Representatives, February 9, 1999

An Act to Ensure Equality in Mental Health Coverage for Children and Adults.

Reference to the Committee on Banking and Insurance suggested and ordered printed.

A handwritten signature in black ink that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative BROOKS of Winterport.
Cosponsored by Senator PINGREE of Knox and
Representatives: O'BRIEN of Augusta, SAXL of Bangor, SAXL of Portland, SHIELDS of
Auburn, SNOWE-MELLO of Poland, Senators: BERUBE of Androscoggin, DAGGETT of
Kennebec, PARADIS of Aroostook.

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

2
4 **Sec. 1.** 24 MRSA §2325-A, sub-§3, ¶¶A-1 and F are enacted to read:

6 A-1. "Health insurance plan" means a health insurance
8 policy or health benefit plan offered by a health insurer.
10 "Health insurance plan" includes a health benefit plan
12 offered or administered by the State or by any subdivision
14 or instrumentality of the State.

16 F. "Rate term or condition" means lifetime or annual
18 payment limits, deductibles, copayments, coinsurance and any
20 other cost-sharing requirements, out-of-pocket limits, visit
22 limits and any other financial component of health insurance
24 coverage that affects the insured.

26 **Sec. 2.** 24 MRSA §2325-A, sub-§5-A, as amended by PL 1989, c.
28 490, §1, is repealed.

30 **Sec. 3.** 24 MRSA §2325-A, sub-§5-C, as amended by PL 1995, c.
32 625, Pt. B, §6 and affected by §7 and amended by c. 637, §1, is
34 further amended to read:

36 **5-C. Coverage for treatment for certain mental illnesses.**
38 Coverage for medical treatment for mental illnesses listed in
40 paragraph A is subject to this subsection.

42 A. All individual and group contracts must provide, at a
44 minimum, benefits according to paragraph B, subparagraph (1)
46 for a person receiving medical treatment for any of the
48 following mental illnesses diagnosed by a licensed
50 allopathic or osteopathic physician ~~or~~, a medical doctor, a
licensed psychologist who is trained and has received a
doctorate in psychology specializing in the evaluation and
treatment of human behavior or a licensed master's-level
social worker:

- (1) Schizophrenia;
- (2) Bipolar disorder;
- (3) Pervasive developmental disorder, or autism;
- (4) Paranoia;
- (5) Panic disorder;
- (6) Obsessive-compulsive disorder; ~~or~~

2 (7) Major depressive disorder; or

4 (8) Eating disorders:

6 (a) Bulimia; and

8 (b) Anorexia.

10 Any person birth to 18 years of age with a mental health
12 condition that falls under any of the diagnostic categories
14 listed in the mental disorders section of the Diagnostic and
Statistical Manual of Mental Health Disorders, 4th Edition,
DMS 4, as periodically revised, is covered under this
paragraph.

16 B. All policies, contracts and certificates executed,
18 delivered, issued for delivery, continued or renewed in this
20 State on or after July 1, 1996 must provide benefits that
22 meet the requirements of this paragraph. For purposes of
this paragraph, all contracts are deemed renewed no later
than the next yearly anniversary of the contract date.

24 (1) ~~The contracts must provide benefits for the~~
~~treatment and diagnosis of mental illnesses under terms~~
~~and conditions that are no less extensive than the~~
26 ~~benefits provided for medical treatment for physical~~
28 ~~illnesses. A health insurance plan must provide~~
coverage for treatment of a mental health condition and
30 may not establish a rate, term or condition that places
a greater financial burden on an insured for access to
32 treatment for a mental health condition than for access
to treatment for a physical health condition. Any
34 deductible or out-of-pocket limits required under a
36 health insurance plan must be comprehensive for
coverage of both mental health and physical health
conditions.

38 (2) At the request of a nonprofit hospital or medical
40 service organization, a provider of medical treatment
42 for mental illness shall furnish data substantiating
44 that initial or continued treatment is medically
46 necessary and appropriate. When making the
determination of whether treatment is medically
necessary and appropriate, the provider shall use the
same criteria for medical treatment for mental illness
as for medical treatment for physical illness under the
group contract.

48 C. A health insurance plan that does not otherwise provide
50 for management of care under the plan or that does not
provide for the same degree of management of care for all

2 health conditions may provide coverage for treatment of
3 mental health conditions through a managed care organization
4 as long as the managed care organization is in compliance
5 with the rules adopted by the superintendent that ensure
6 that the system for delivery of treatment for mental health
7 conditions does not diminish or negate the purpose of this
8 section. The rules adopted by the superintendent shall
9 ensure that timely and appropriate access to care is
10 available; that quantity, location and specialty
11 distribution of health care providers is adequate and that
12 administrative or clinical protocols do not serve to reduce
13 access to medically necessary treatment for an insured.

14 ~~This subsection does not apply to policies, contracts and~~
15 ~~certificates covering employees of employers with 20 or fewer~~
16 ~~employees, whether the group policy is issued to the employer, to~~
17 ~~an association, to a multiple employer trust or to another entity.~~

18 This subsection may not be construed to allow coverage and
19 benefits for the treatment of alcoholism or other drug
20 dependencies through the diagnosis of a mental illness listed in
21 paragraph A.

22 **Sec. 4. 24 MRSA §2325-A, sub-§5-D**, as amended by PL 1995, c.
23 637, §2, is further amended to read:

24 **5-D. Mandated offer of coverage for certain mental**
25 **illnesses.** Except as otherwise provided, coverage for medical
26 treatment for mental illnesses listed in paragraph A by all
27 individual and group nonprofit hospital and medical services
28 organization health care plan contracts is subject to this
29 subsection.

30 A. All individual and group contracts must ~~make available~~
31 ~~coverage providing~~ provide, at a minimum, benefits according
32 to paragraph B, subparagraph (1) for a person receiving
33 medical treatment for any of the following mental illnesses
34 diagnosed by a licensed allopathic or osteopathic physician
35 ~~or, a medical doctor,~~ a licensed psychologist who is trained
36 and has received a doctorate in psychology specializing in
37 the evaluation and treatment of human behavior or a licensed
38 master's-level social worker:

- 39 (1) Schizophrenia;
- 40 (2) Bipolar disorder;
- 41 (3) Pervasive developmental disorder, or autism;
- 42 (4) Paranoia;

- 2 (5) Panic disorder;
- 4 (6) Obsessive-compulsive disorder; or
- 6 (7) Major depressive disorder; or
- 8 (8) Eating disorders:
 - 10 (a) Bulimia; and
 - 12 (b) Anorexia.

14 B. Every nonprofit hospital and medical services
16 organization and nonprofit health care plan must make
18 available coverage in all individual and group policies,
20 contracts and certificates executed, delivered, issued for
22 delivery, continued or renewed in this State on or after
July 1, 1996 that provides benefits meeting the requirements
of this paragraph. For purposes of this paragraph, all
contracts are deemed renewed no later than the next yearly
anniversary of the contract date.

24 ~~(1) The offer of coverage must provide benefits for~~
26 ~~the treatment and diagnosis of mental illnesses under~~
28 ~~terms and conditions that are no less extensive than~~
30 ~~the benefits provided for medical treatment for~~
32 ~~physical illnesses. A health insurance plan must~~
34 ~~provide coverage for treatment of a mental condition~~
36 ~~and may not establish a rate, term or condition that~~
places a greater financial burden on an insured for
access to treatment for a mental health condition than
for access to treatment for a physical health
condition. Any deductible or out-of-pocket limits
required under a health insurance plan must be
comprehensive for coverage of both mental health and
physical health conditions.

38 (2) At the request of a nonprofit hospital or medical
40 service organization, a provider of medical treatment
42 for mental illness shall furnish data substantiating
44 that initial or continued treatment is medically
46 necessary and appropriate. When making the
48 determination of whether treatment is medically
necessary and appropriate, the provider shall use the
same criteria for medical treatment for mental illness
as for medical treatment for physical illness under the
individual or group contract.

2 C. A health insurance plan that does not otherwise provide
4 for management of care under the plan or that does not
6 provide for the same degree of management of care for all
8 health conditions, may provide coverage for treatment of
10 mental health conditions through a managed care organization
12 as long as the managed care organization is in compliance
14 with the rules adopted by the commissioner that ensure that
16 the system of delivery of treatment for mental health
18 conditions does not diminish or negate the purpose of this
20 section. The rules adopted by the superintendent shall
22 ensure that timely and appropriate access to care is
24 available, that the quantity, location and specialty
26 distribution of health care providers is adequate and that
28 administrative or clinical protocols do not serve to reduce
30 access to medically necessary treatment for an insured.

18 This subsection may not be construed to allow coverage and
20 benefits for the treatment of alcoholism or other drug
22 dependencies through the diagnosis of a mental illness listed in
24 paragraph A.

22 **Sec. 5. 24 MRSA §2325-A, sub-§§7-A and 7-B are enacted to read:**

24 **7-A. Compliance.** A health insurance plan is construed to
26 be in compliance with this section if at least one choice for
28 treatment of mental health conditions provided to the insured
30 within the plan has rates, terms and conditions that place no
32 greater financial burden on the insured than for access to
34 treatment of physical conditions. The superintendent may
36 disapprove any plan that the superintendent determines to be
38 inconsistent with the purposes of this section.

34 **7-B. Coverage eligibility.** To be eligible for coverage
36 under this section, the service must be for treatment of mental
38 illness and rendered by a licensed or certified mental health
40 professional or in a mental health facility qualified pursuant to
42 rules adopted by the superintendent, or in an institution
44 approved by the superintendent that provides a program for the
46 treatment of a mental health condition pursuant to a written
48 plan. A nonprofit hospital or a medical service corporation may
require a mental health facility or licensed or certified mental
health professional to enter into a contract as a condition of
providing benefits.

46 **Sec. 6. 24 MRSA §2325-A, sub-§8, as amended by PL 1995, c.**
48 **407, §3, is further amended to read:**

48 **8. Reports to the Superintendent of Insurance.** Every
nonprofit hospital or medical service organization subject to

2 this section shall report its experience for each calendar year
to the superintendent not later than April 30th of the following
4 year. The report must be in a form prescribed by the
superintendent and include the amount of claims paid in this
6 State for the services required by this section and, the total
amount of claims paid in this State for group health care
8 contracts and the amount paid by patients for services not
covered by health care contracts, both each separated between
those paid for inpatient, day treatment and outpatient services.
10 The superintendent shall compile this data for all nonprofit
hospital or medical service organizations in an annual report.

12 **Sec. 7. 24 MRSA §2325-A, sub-§9** is enacted to read:

14 **9. Report to Legislature.** On or before January 15, 2000,
16 the superintendent shall report to the Joint Standing Committee
on Banking and Insurance the following:

18 **A. An estimate of the impact of this section on health**
20 **insurance costs;**

22 **B. Actions taken by the superintendent to ensure that**
health insurance plans are in compliance with this section
24 **and that quality and access to treatment for mental health**
conditions provided by the plans are not compromised by
26 **providing financial parity for such coverage;**

28 **C. When a health insurance plan offers choices for**
treatment of mental health conditions, an analysis and
30 **comparison of those choices in regard to level of access,**
choice and financial burden; and

32 **D. Identification of any segments of the population of the**
34 **State that may be excluded from access to treatment for**
mental health conditions at the level provided by this
36 **section, including an estimate of the number of people**
excluded from such access under health benefit plans offered
38 **or administered by employers who receive the majority of**
40 **their annual revenues from contract grants or other**
expenditures by state agencies.

42 **Sec. 8. Construction; transitional provisions.** The provisions of
this Act do not:

44 1. Limit the provision of specialized services for
46 individuals with mental health disorders who are covered by
Medicaid;

48 2. Supersede the provisions of federal law, federal or
50 state Medicaid policy or the terms and conditions imposed on any

2 Medicaid waiver granted to the State with respect to the
3 provision of services to individuals with mental health
4 disorders; and

5 3. Affect any annual health insurance plan until its date
6 of renewal or any health insurance plan governed by a collective
7 bargaining agreement or employment contract until the expiration
8 of that contract.

9
10 **Sec. 9. Application.** This Act applies to a health insurance
11 plan offered or renewed on or after January 1, 2000.
12

14 SUMMARY

15 The purpose of this bill is to ensure parity in coverage of
16 mental health treatment for children and adults and to include
17 eating disorders under standard coverage.
18