

MAINE STATE LEGISLATURE

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BANKING AND INSURANCE

MINORITY

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
120TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "B" to H.P. 1205, L.D. 1627, Bill, "An Act to Ensure Equality in Mental Health Coverage"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

'Sec. 1. 24 MRSA §2325-A, sub-§3, ¶A-1 is enacted to read:

A-1. "Home support services" means rehabilitative services, treatment services and living skills services provided for a person with a mental illness. "Home support services" may be provided in a community setting or the person's current place of residence, and are services that promote the integration of the person into the community, sustain the person in the person's current living situation or another living situation of that person's choosing and enhance the person's quality of life. "Home support services" may be provided directly to the person or indirectly through collateral contact or by telephone contact or other means on behalf of the person. "Home support services" includes, but is not limited to:

(1) Case management services and assertive community treatment services;

(2) Medication education and monitoring;

(3) Crisis intervention and resolution services and follow-up services; and

(4) Individual, group and family counseling services.

Sec. 2. 24 MRSA §2325-A, sub-§3, ¶D, as enacted by PL 1983, c. 515, §4, is amended to read:

D. "Person suffering from a mental ~~or nervous condition~~ illness" means a person whose psychobiological processes are impaired severely enough to manifest problems in the areas of social, psychological or biological functioning. Such a person has a disorder of thought, mood, perception, orientation or memory ~~which that~~ impairs judgment, behavior, capacity to recognize or ability to cope with the ordinary demands of life. The person manifests an impaired capacity to maintain acceptable levels of functioning in the areas of intellect, emotion or physical well-being.

Sec. 3. 24 MRSA §2325-A, sub-§3, ¶F is enacted to read:

F. "Residential treatment services" means services at a facility that provides care 24 hours daily to one or more patients, including, but not limited to, the following services: room and board; medical, nursing and dietary services; patient diagnosis, assessment and treatment; individual, family and group counseling; and educational and support services, including a designated unit of a licensed health care facility providing any other services specified in this paragraph to a person suffering from a mental illness.

Sec. 4. 24 MRSA §2325-A, sub-§§4 and 5, as enacted by PL 1983, c. 515, §4, are amended to read:

4. **Requirement.** Every nonprofit hospital ~~or~~ and medical service organization ~~which that~~ issues group health care contracts providing coverage ~~for hospital care~~ to residents of this State shall provide benefits as required in this section to any subscriber or other person covered under those contracts for conditions arising from mental illness.

5. **Services.** Each group contract ~~shall~~ must provide, at a minimum, for the following benefits for a person suffering from a mental ~~or nervous condition~~ illness:

- A. Inpatient care;
- B. Day treatment services; and
- C. Outpatient services.

2 D. Home support services; and

4 E. Residential treatment services.

6 **Sec. 5. 24 MRSA §2325-A, sub-§5-C**, as amended by PL 1995, c.
8 625, Pt. B, §6 and affected by §7 and amended by c. 637, §1, is
10 further amended to read:

12 **5-C. Coverage for treatment for certain mental illnesses.**
14 Coverage for medical treatment for mental illnesses listed in
16 paragraph A-1 is subject to this subsection.

18 ~~A--All group contracts must provide, at a minimum, benefits
20 according to paragraph B, subparagraph (1) for a person
22 receiving medical treatment for any of the following mental
24 illnesses diagnosed by a licensed allopathic or osteopathic
26 physician or a licensed psychologist who is trained and has
28 received a doctorate in psychology specializing in the
30 evaluation and treatment of human behavior:~~

32 ~~(1)--Schizophrenia;~~

34 ~~(2)--Bipolar disorder;~~

36 ~~(3)--Pervasive developmental disorder, or autism;~~

38 ~~(4)--Paranoia;~~

40 ~~(5)--Panic disorder;~~

42 ~~(6)--Obsessive compulsive disorder; or~~

44 ~~(7)--Major depressive disorder.~~

46 A-1. All group contracts must provide, at a minimum,
48 benefits according to paragraph B, subparagraph (1) for a
50 person receiving medical or psychiatric treatment for any of
the following categories of mental illness diagnosed by a
licensed allopathic or osteopathic physician, a licensed
psychologist who is trained and has received a doctorate in
psychology specializing in the evaluation and treatment of
mental illness:

(1) Psychotic disorders, including schizophrenia;

(2) Dissociative disorders;

(3) Mood disorders;

(4) Anxiety disorders;

- 2 (5) Personality disorders;
- 4 (6) Paraphilias;
- 6 (7) Attention deficit and disruptive behavior
8 disorders;
- 10 (8) Pervasive developmental disorders;
- 12 (9) Tic disorders;
- 14 (10) Eating disorders, including bulimia and anorexia;
16 and
- (11) Substance abuse-related disorders.

18 B. All policies, contracts and certificates executed,
20 delivered, issued for delivery, continued or renewed in this
22 State ~~on or after July 1, 1996~~ must provide benefits that
24 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.

26 (1) The contracts must provide benefits for the
28 treatment and diagnosis of mental illnesses under terms
30 and conditions that are no less extensive than the
 benefits provided for medical treatment for physical
 illnesses.

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

44 (3) If benefits and coverage for treatment of physical
46 illness are provided on an expense-incurred basis, the
 benefits and coverage required under this subsection
 may be delivered separately under a managed care system.

48 (4) A policy or contract may not have separate
50 maximums for physical illness and mental illness,
 separate deductibles and coinsurance amounts for

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physical illness and mental illness, separate out-of-pocket limits in a benefit period of not more than 12 months for physical illness and mental illness or separate office visitation limits for physical illness and mental illness.

(5) A health benefit plan may not impose a limitation on coverage or benefits for mental illness unless that same limitation is also imposed on the coverage and benefits for physical illness covered under the policy or contract.

(6) Copayments required under a policy or contract for benefits and coverage for mental illness must be actuarially equivalent to any coinsurance requirements or, if there are no coinsurance requirements, not greater than any copayment required under the policy or contract for a benefit or coverage for a physical illness.

(7) For the purposes of this section, medication management visits associated with a mental illness must be covered in the same manner as a medication management visit for the treatment of a physical illness and may not be counted in the calculation of any maximum outpatient treatment visit limits.

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

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

Sec. 6. 24 MRSA §2325-A, sub-§5-D, as amended by PL 1995, c. 637, §2, is further amended to read:

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

A. All individual and group contracts must make available coverage providing, at a minimum, benefits according to paragraph B, subparagraph (1) for a person receiving medical

2 or psychiatric treatment for any of the following mental
illnesses diagnosed by a licensed allopathic or osteopathic
4 physician ~~or~~ a licensed psychologist who is trained and has
received a doctorate in psychology specializing in the
6 evaluation and treatment of ~~human-behavior~~ mental illness:

- 8 (1) Schizophrenia;
- 10 (2) Bipolar disorder;
- 12 (3) Pervasive developmental disorder, or autism;
- 14 (4) Paranoia;
- 16 (5) Panic disorder;
- 18 (6) Obsessive-compulsive disorder; or
- 20 (7) Major depressive disorder.

22 B. Every nonprofit hospital and medical ~~services~~ service
organization and nonprofit health care plan must make
24 available coverage in all individual and group policies,
contracts and certificates executed, delivered, issued for
26 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
28 contracts are deemed renewed no later than the next yearly
anniversary of the contract date.

30 (1) The offer of coverage must provide benefits for
32 the treatment and diagnosis of mental illnesses under
terms and conditions that are no less extensive than
34 the benefits provided for medical treatment for
physical illnesses.

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

48 This subsection may not be construed to allow coverage and
50 benefits for the treatment of alcoholism or other drug

dependencies through the diagnosis of a mental illness listed in paragraph A.

Sec. 7. 24 MRSA §2325-A, sub-§6, as enacted by PL 1983, c. 515, §4, is amended to read:

6. Contracts; providers. Subject to the approval by the Superintendent of Insurance pursuant to section 2305, a nonprofit hospital or and medical service organization incorporated under this chapter shall offer contracts to providers, including those listed in Title 24-A, sections 2744 and 2835, subsection 1, authorizing the provision of mental health services within the scope of the provider's licensure.

Sec. 8. 24-A MRSA §2744, as amended by PL 1995, c. 561, §2, is further amended to read:

§2744. Mental health services

1. Notwithstanding any provision of a health insurance policy subject to this chapter, whenever the policy provides for payment or reimbursement for services which that are within the lawful scope of practice of a licensed psychologist ~~licensed to practice in this State,~~ a certified licensed clinical social worker ~~licensed for the independent practice of social work in this State who has at least a masters degree in social work from an accredited educational institution, has been employed in social work for at least 2 years, and who, after January 1, 1985, must be licensed as a clinical social worker in this State,~~ a licensed clinical professional counselor or a licensed nurse who is certified by the American Nurses' Association as a clinical specialist in adult psychiatric and mental health nursing or as a clinical specialist in child and adolescent psychiatric and mental health nursing, any person covered by the policy ~~shall be~~ is entitled to reimbursement for these services if the services are performed by a physician, a licensed psychologist ~~licensed to practice in this State,~~ a certified licensed clinical social worker ~~licensed for the independent practice of social work who has at least a masters degree in social work from an accredited educational institution, who has been employed in social work for at least 2 years, and who, after January 1, 1985, must be licensed as a clinical social worker in this State,~~ a licensed clinical professional counselor or a licensed nurse certified by the American Nurses' Association as a clinical specialist in adult or child and adolescent psychiatric and mental health nursing. ~~With respect to services provided by physicians or psychologists, this section applies to all health insurance policies, contracts or certificates issued, renewed, modified, altered, amended or reissued on or after July 1, 1975.~~ Payment or reimbursement for services rendered by licensed clinical

2 social workers ~~licensed in this State shall,~~ licensed clinical
3 professional counselors or licensed nurses certified by the
4 American Nurses' Association as clinical specialists in adult or
5 child and adolescent psychiatric and mental health nursing may
6 not be conditioned upon prior diagnosis or referral by a
7 physician or other health care professional, except in cases
8 where diagnosis of the condition for which the services are
9 rendered is beyond the scope of their licensure.

10 2. ~~Nothing in subsection~~ Subsection 1 may not be construed
11 to require a health insurance policy subject to this chapter to
12 provide for reimbursement of services which that are within the
13 lawful scope of practice of a licensed psychologist ~~licensed to~~
14 ~~practice in this State,~~ a licensed clinical social worker
15 ~~licensed in this State, a certified social worker licensed to~~
16 ~~practice in this State,~~ a licensed clinical professional
17 counselor or a certified licensed nurse ~~licensed to practice in~~
18 ~~this State~~ certified by the American Nurses' Association as a
19 clinical specialist in adult or child and adolescent psychiatric
20 and mental health nursing.

21 ~~3. Mental health services provided by counseling~~
22 ~~professionals. An insurer that issues individual health care~~
23 ~~contracts providing coverage for mental health services shall~~
24 ~~offer coverage for those services when performed by a counseling~~
25 ~~professional who is licensed by the State pursuant to Title 32,~~
26 ~~chapter 119 to assess and treat interpersonal and intrapersonal~~
27 ~~problems, has at least a masters degree in counseling or a~~
28 ~~related field from an accredited educational institution and has~~
29 ~~been employed as a counselor for at least 2 years. Any contract~~
30 ~~providing coverage for the services of counseling professionals~~
31 ~~pursuant to this section may be subject to any reasonable~~
32 ~~limitations, maximum benefits, coinsurance, deductibles or~~
33 ~~exclusion provisions applicable to overall benefits under the~~
34 ~~contract. This subsection applies to all contracts executed,~~
35 ~~delivered, issued for delivery, continued or renewed in this~~
36 ~~State on or after January 1, 1997. For purposes of this~~
37 ~~subsection, all contracts are deemed renewed no later than the~~
38 ~~next yearly anniversary of the contract date.~~

39 **Sec. 9. 24-A MRSA §2749-C, sub-§1,** as amended by PL 1995, c.
40 637, §3, is further amended to read:

41 1. **Coverage for treatment for certain mental illnesses.**
42 Coverage for medical or psychiatric treatment for mental
43 illnesses listed in paragraph A by all individual policies is
44 subject to this section.

45 A. All individual policies must make available coverage
46 providing, at a minimum, benefits according to paragraph B,

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2 subparagraph (1) for a person receiving medical or
3 psychiatric treatment for any of the following mental
4 illnesses diagnosed by a licensed allopathic or osteopathic
5 physician ~~or~~, a licensed psychologist who is trained and has
6 received a doctorate in psychology specializing in the
7 evaluation and treatment of ~~human-behavior~~ mental illness:

- 8 (1) Schizophrenia;
- 10 (2) Bipolar disorder;
- 12 (3) Pervasive developmental disorder, or autism;
- 14 (4) Paranoia;
- 16 (5) Panic disorder;
- 18 (6) Obsessive-compulsive disorder; or
- 20 (7) Major depressive disorder.

22 B. All individual policies and contracts executed,
23 delivered, issued for delivery, continued or renewed in this
24 State ~~on or after July 1, 1996~~ must make available coverage
25 providing benefits that meet the requirements of this
26 paragraph. For purposes of this paragraph, all contracts
27 are deemed renewed no later than the next yearly anniversary
28 of the contract date.

30 (1) The offer of coverage must provide benefits for
31 the treatment and diagnosis of mental illnesses under
32 terms and conditions that are no less extensive than
33 the benefits provided for medical treatment for
34 physical illnesses.

36 (2) At the request of a reimbursing insurer, a
37 provider of medical or psychiatric treatment for mental
38 illness shall furnish data substantiating that initial
39 or continued treatment is medically or psychiatrically
40 necessary and appropriate. When making the
41 determination of whether treatment is medically or
42 psychiatrically necessary and appropriate, the provider
43 shall use the same criteria for medical or psychiatric
44 treatment for mental illness as for medical treatment
45 for physical illness under the individual policy.

46 This subsection may not be construed to allow coverage and
47 benefits for the treatment of alcoholism or other drug
48 dependencies through the diagnosis of a mental illness listed in
49 paragraph A.

2 **Sec. 10. 24-A MRSA §2749-C, sub-§2**, as enacted by PL 1995, c.
407, §5, is amended to read:

4 **2. Contracts; providers.** ~~Subject to approval by the~~
6 ~~superintendent pursuant to section 2305, an~~ An insurer
incorporated under this chapter shall offer contracts to
8 providers, including those providers listed in section 2744,
subsection 1, authorizing the provision of mental health services
10 within the scope of the provider's licensure.

12 **Sec. 11. 24-A MRSA §2835**, as amended by PL 1995, c. 561, §3,
is further amended to read:

14 **§2835. Mental health services**

16 **1.** Notwithstanding any provision of a health insurance
18 policy subject to this chapter, whenever the policy provides for
payment or reimbursement for services which that are within the
20 lawful scope of practice of a licensed psychologist ~~licensed to~~
~~practice in this State~~, a certified licensed clinical social
22 ~~worker licensed for the independent practice of social work in~~
~~this State who has at least a masters degree in social work from~~
24 ~~an accredited educational institution, has been employed in~~
~~social work for at least 2 years, and who, after January 1, 1985,~~
26 ~~must be licensed as a clinical social worker in this State, a~~
licensed clinical professional counselor or a licensed nurse who
28 is certified by the American Nurses' Association as a clinical
specialist in adult psychiatric and mental health nursing or as a
30 clinical specialist in child and adolescent psychiatric and
mental health nursing, any person covered by the policy shall ~~be~~
32 is entitled to reimbursement for these services if the services
are performed by a physician, a licensed psychologist ~~licensed to~~
34 ~~practice in this State, certified a licensed clinical~~ social
worker ~~licensed for independent practice in this State who has at~~
36 ~~least a masters degree in social work from an accredited~~
~~educational institution, who has been employed in social work for~~
38 ~~at least 2 years, and who, after January 1, 1985, must be~~
~~licensed as a clinical social worker in this State, a licensed~~
40 clinical professional counselor or a licensed nurse certified by
the American Nurses' Association as a clinical specialist in
42 adult or child and adolescent psychiatric and mental health
nursing. ~~With respect to services provided by physicians or~~
44 ~~psychologists, this section applies to all health insurance~~
~~policies, contracts or certificates issued, renewed, modified,~~
46 ~~altered, amended or reissued on or after April 16, 1976.~~ Payment
or reimbursement for services rendered by licensed clinical
48 social workers ~~licensed in this State shall, licensed clinical~~
professional counselors or licensed nurses certified by the
50 American Nurses' Association as clinical specialists in adult or

child and adolescent psychiatric and mental health nursing may not be conditioned upon prior diagnosis or referral by a physician or other health care professional, except in cases where diagnosis of the condition for which the services are rendered is beyond the scope of their licensure.

2. ~~Nothing in subsection~~ Subsection 1 may not be construed to require a health insurance policy subject to this chapter to provide for reimbursement of services which that are within the lawful scope of practice of a licensed psychologist ~~licensed to practice in this State~~, a licensed clinical social worker ~~licensed in this State~~, ~~a certified social worker licensed to practice in this State~~, a licensed clinical professional counselor or a licensed nurse certified and licensed to practice in this State by the American Nurses' Association as a clinical specialist in adult or child and adolescent psychiatric and mental health nursing.

3. ~~Mental health services provided by counseling professionals. An insurer that issues group health care contracts providing coverage for mental health services shall make available coverage for those services when performed by a counseling professional who is licensed by the State pursuant to Title 32, chapter 119 to assess and treat interpersonal and intrapersonal problems, has at least a masters degree in counseling or a related field from an accredited educational institution and has been employed as a counselor for at least 2 years. Any contract providing coverage for the services of counseling professionals pursuant to this section may be subject to any reasonable limitations, maximum benefits, coinsurance, deductibles or exclusion provisions applicable to overall benefits under the contract. This subsection applies to all contracts executed, delivered, issued for delivery, continued or renewed in this State on or after January 1, 1997. For purposes of this subsection, all contracts are deemed renewed no later than the next yearly anniversary of the contract date.~~

Sec. 12. 24-A MRSA §2843, sub-§3, ¶A-1 is enacted to read:

A-1. "Home support services" means rehabilitative services, treatment services and living skills services provided for a person with a mental illness. "Home support services" may be provided in a community setting or the person's current place of residence, and are services that promote the integration of the person into the community, sustain the person in the person's current living situation or another living situation of that person's choosing and enhance the person's quality of life. "Home support services" may be provided directly to the person or indirectly through collateral contact or by telephone contact or other means on

2 behalf of the person. "Home support services" includes, but
3 is not limited to:

4 (1) Case management services and assertive community
5 treatment services;

6 (2) Medication education and monitoring;

7 (3) Crisis intervention and resolution services and
8 follow-up services; and

9 (4) Individual, group and family counseling services.

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13 **Sec. 13. 24-A MRSA §2843, sub-§3, ¶D**, as enacted by PL 1983,
14 c. 515, §6, is amended to read:

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

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28 **Sec. 14. 24-A MRSA §2843, sub-§3, ¶F** is enacted to read:

29
30 F. "Residential treatment services" means services at a
31 facility that provides care 24 hours daily to one or more
32 patients, including, but not limited to, the following
33 services: room and board; medical, nursing and dietary
34 services; patient diagnosis, assessment and treatment;
35 individual, family and group counseling; and educational and
36 support services, including a designated unit of a licensed
37 health care facility providing any other services specified
38 in this paragraph to a person suffering from a mental
39 illness.

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42 **Sec. 15. 24-A MRSA §2843, sub-§§4 and 5**, as enacted by PL 1983,
43 c. 515, §6, are amended to read:

44 **4. Requirement.** Every insurer which that issues group
45 health care contracts providing coverage ~~for hospital care~~ to
46 residents of this State shall provide benefits as required in
47 this section to any subscriber or other person covered under
48 those contracts for conditions arising from mental illness.

2 **5. Services.** Each group contract shall must provide, at a
3 minimum, for the following benefits for a person suffering from a
4 mental ~~or-nervous-condition~~ illness:

- 5 A. Inpatient care;
- 6 B. Day treatment services; and
- 7 C. Outpatient services;
- 8 D. Home support services; and
- 9 E. Residential treatment services.

10 **Sec. 16. 24-A MRSA §2843, sub-§5-C,** as amended by PL 1995, c.
11 625, Pt. B, §8 and affected by §9 and amended by c. 637, §4, is
12 further amended to read:

13 **5-C. Coverage for treatment for certain mental illness.**
14 Coverage for medical or psychiatric treatment for mental
15 illnesses listed in paragraph--A- A-1 is subject to this
16 subsection.

17 ~~A.--All-group-contracts-must-provide,-at-a-minimum,-benefits~~
18 ~~according-to-paragraph-B,-subparagraph-(1)-for-a-person~~
19 ~~receiving-medical-treatment-for-any-of-the-following-mental~~
20 ~~illnesses-diagnosed-by-a-licensed-allopathic-or-osteopathic~~
21 ~~physician-or-a-licensed-psychologist-who-is-trained-and-has~~
22 ~~received--a--doctorate--in--psychology--specializing--in--the~~
23 ~~evaluation-and-treatment-of-human-behavior;~~

24 ~~(1)--Schizophrenia;~~

25 ~~(2)--Bipolar-disorder;~~

26 ~~(3)--Pervasive-developmental-disorder,-or-autism;~~

27 ~~(4)--Paranoia;~~

28 ~~(5)--Panic-disorder;~~

29 ~~(6)--Obsessive-compulsive-disorder,-or~~

30 ~~(7)--Major-depressive-disorder.~~

31 A-1. All group contracts must provide, at a minimum,
32 benefits according to paragraph B, subparagraph (1) for a
33 person receiving medical or psychiatric treatment for any of
34 the following categories of mental illness diagnosed by a
35 licensed allopathic or osteopathic physician, a licensed

psychologist who is trained and has received a doctorate in psychology specializing in the evaluation and treatment of mental illness:

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(1) Psychotic disorders, including schizophrenia;

(2) Dissociative disorders;

(3) Mood disorders;

(4) Anxiety disorders;

(5) Personality disorders;

(6) Paraphilias;

(7) Attention deficit and disruptive behavior disorders;

(8) Pervasive developmental disorders;

(9) Tic disorders;

(10) Eating disorders, including bulimia and anorexia; and

(11) Substance abuse-related disorders.

B. All policies, contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State ~~on or after July 1, 1996~~ must provide benefits that 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.

(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 benefits provided for medical treatment for physical illnesses.

(2) At the request of a ~~nonprofit hospital or medical service organization~~ a reimbursing insurer, a provider of medical or psychiatric treatment for mental illness shall furnish data substantiating that initial or continued treatment is medically or psychiatrically necessary and appropriate. When making the determination of whether treatment is medically or psychiatrically necessary and appropriate, the provider shall use the same criteria for medical or psychiatric

2 treatment for mental illness as for medical treatment
for physical illness under the group contract.

4 (3) If benefits and coverage provided for treatment of
6 physical illness are provided on an expense-incurred
8 basis, the benefits and coverage required under this
subsection may be delivered separately under a managed
care system.

10 (4) A policy or contract may not have separate
12 maximums for physical illness and mental illness,
14 separate deductibles and coinsurance amounts for
16 physical illness and mental illness, separate
18 out-of-pocket limits in a benefit period of not more
than 12 months for physical illness and mental illness
or separate office visitation limits for physical
illness and mental illness.

20 (5) A health benefit plan may not impose a limitation
22 on coverage or benefits for mental illness unless that
same limitation is also imposed on the coverage and
benefits for physical illness covered under the policy
or contract.

24 (6) Copayments required under a policy or contract for
26 benefits and coverage for mental illness must be
28 actuarially equivalent to any coinsurance requirements
30 or, if there are no coinsurance requirements, not
greater than any copayment required under the policy or
contract for a benefit or coverage for a physical
illness.

32 (7) For the purposes of this section, medication
34 management visits associated with a mental illness must
36 be covered in the same manner as a medication
38 management visit for the treatment of a physical
illness and may not be counted in the calculation of
any maximum outpatient treatment visit limits.

40 This subsection does not apply to policies, contracts and
42 certificates covering employees of employers with 20 or fewer
44 employees, whether the group policy is issued to the employer, to
an association, to a multiple-employer trust or to another entity.

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

2 **Sec. 17. 24-A MRSA §2843, sub-§5-D**, as amended by PL 1995, c.
637, §5, is further amended to read:

4 **5-D. Mandated offer of coverage for certain mental**
5 **illnesses.** Except as otherwise provided in subsection 5-C,
6 coverage for medical or psychiatric treatment for mental
7 illnesses listed in paragraph A by all group contracts is subject
8 to this subsection.

10 A. All group contracts must make available coverage
11 providing, at a minimum, benefits according to paragraph B,
12 subparagraph (1) for a person receiving medical or
13 psychiatric treatment for any of the following mental
14 illnesses diagnosed by a licensed allopathic or osteopathic
15 physician ~~or~~, a licensed psychologist who is trained and has
16 received a doctorate in psychology specializing in the
17 evaluation and treatment of ~~human-behavior~~ mental illness:

- 18 (1) Schizophrenia;
19 (2) Bipolar disorder;
20 (3) Pervasive developmental disorder, or autism;
21 (4) Paranoia;
22 (5) Panic disorder;
23 (6) Obsessive-compulsive disorder; or
24 (7) Major depressive disorder.

26 B. All group policies, contracts and certificates executed,
27 delivered, issued for delivery, continued or renewed in this
28 State ~~on or after July 1, 1996~~ must make available coverage
29 providing benefits that meet the requirements of this
30 paragraph. For purposes of this paragraph, all contracts
31 are deemed renewed no later than the next yearly anniversary
32 of the contract date.

33 (1) The offer of coverage must provide benefits for
34 the treatment and diagnosis of mental illnesses under
35 terms and conditions that are no less extensive than
36 the benefits provided for medical treatment for
37 physical illnesses.

38 (2) At the request of a reimbursing insurer, a
39 provider of medical or psychiatric treatment for mental
40 illness shall furnish data substantiating that initial
41 or continued treatment is medically or psychiatrically

2 necessary and appropriate. When making the
3 determination of whether treatment is medically or
4 psychiatrically necessary and appropriate, the provider
5 shall use the same criteria for medical or psychiatric
6 treatment for mental illness as for medical treatment
for physical illness under the group contract.

8 This subsection may not be construed to allow coverage and
9 benefits for the treatment of alcoholism and other drug
10 dependencies through the diagnosis of a mental illness listed in
11 paragraph A.

12 **Sec. 18. 24-A MRSA §4234-A, sub-§3, ¶A-1** is enacted to read:

14 A-1. "Home support services" means rehabilitative services,
15 treatment services and living skills services provided for a
16 person with a mental illness. "Home support services" may
17 be provided in a community setting or the person's current
18 place of residence, and are services that promote the
19 integration of the person into the community, sustain the
20 person in the person's current living situation or another
21 living situation of that person's choosing and enhance the
22 person's quality of life. "Home support services" may be
23 provided directly to the person or indirectly through
24 collateral contact or by telephone contact or other means on
25 behalf of the person. "Home support services" includes, but
26 is not limited to:

- 28 (1) Case management services and assertive community
29 treatment services;
- 31 (2) Medication education and monitoring;
- 33 (3) Crisis intervention and resolution services and
34 follow-up services; and
- 36 (4) Individual, group and family counseling services.

38 **Sec. 19. 24-A MRSA §4234-A, sub-§3, ¶D**, as enacted by PL 1995,
39 c. 407, §10, is amended to read:

41 D. "Person suffering from a mental ~~or nervous condition~~
42 illness" means a person whose psychobiological processes are
43 impaired severely enough to manifest problems in the area of
44 social, psychological or biological functioning. Such a
45 person has a disorder of thought, mood, perception,
46 orientation or memory that impairs judgment, behavior,
47 capacity to recognize or ability to cope with the ordinary
48 demands of life. The person manifests an impaired capacity

2 to maintain acceptable levels of functioning in the area of
intellect, emotion or physical well-being.

4 **Sec. 20. 24-A MRSA §4234-A, sub-§3, ¶F** is enacted to read:

6 F. "Residential treatment services" means services at a
8 facility that provides care 24 hours daily to one or more
10 patients, including, but not limited to, the following
12 services: room and board; medical, nursing and dietary
14 services; patient diagnosis, assessment and treatment;
individual, family and group counseling; and educational and
support services, including a designated unit of a licensed
health care facility providing any other services specified
in this paragraph to a person suffering from a mental
illness.

16 **Sec. 21. 24-A MRSA §4234-A, sub-§§4 and 5**, as enacted by PL
18 1995, c. 407, §10, are amended to read:

20 **4. Requirement.** Every health maintenance organization that
22 issues individual or group health care contracts providing
coverage ~~for--hospital--care~~ to residents of this State shall
24 provide benefits as required in this section to any subscriber or
other person covered under those contracts for conditions arising
from mental illness.

26 **5. Services.** Each individual or group contract must
28 provide, at a minimum, the following benefits for a person
suffering from a mental ~~or nervous-condition~~ illness:

- 30 A. Inpatient services;
- 32 B. Day treatment services; and
- 34 C. Outpatient services;
- 36 D. Home support services; and
- 38 E. Residential treatment services.

40 **Sec. 22. 24-A MRSA §4234-A, sub-§6**, as amended by PL 1995, c.
42 637, §6, is further amended to read:

44 **6. Coverage for treatment of certain mental illnesses.**
46 Coverage for medical or psychiatric treatment for mental
illnesses listed in paragraph --A- A-1 is subject to this
subsection.

48 ~~A--All group contracts must provide, at a minimum, benefits~~
50 ~~according to paragraph B, subparagraph (1) for a person~~

2 ~~receiving medical treatment for any of the following mental~~
3 ~~illnesses diagnosed by a licensed allopathic or osteopathic~~
4 ~~physician or a licensed psychologist who is trained and has~~
5 ~~received a doctorate in psychology specializing in the~~
6 ~~evaluation and treatment of human behavior;~~

7 (1) ~~Schizophrenia;~~

8 (2) ~~Bipolar disorder;~~

9 (3) ~~Pervasive developmental disorder, or autism;~~

10 (4) ~~Paranoia;~~

11 (5) ~~Panic disorder;~~

12 (6) ~~Obsessive compulsive disorder; or~~

13 (7) ~~Major depressive disorder.~~

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21 A-1. All group contracts must provide, at a minimum,
22 benefits according to paragraph B, subparagraph (1) for a
23 person receiving medical or psychiatric treatment for any of
24 the following categories of mental illness diagnosed by a
25 licensed allopathic or osteopathic physician, a licensed
26 psychologist who is trained and has received a doctorate in
27 psychology specializing in the evaluation and treatment of
28 mental illness:

29 (1) Psychotic disorders, including schizophrenia;

30 (2) Dissociative disorders;

31 (3) Mood disorders;

32 (4) Anxiety disorders;

33 (5) Personality disorders;

34 (6) Paraphilias;

35 (7) Attention deficit and disruptive behavior
36 disorders;

37 (8) Pervasive developmental disorders;

38 (9) Tic disorders;

39 (10) Eating disorders, including bulimia and anorexia;
40 and

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(11) Substance abuse-related disorders.

B. All policies, contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State ~~on or after July 1, 1996~~ must provide benefits that 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.

(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 benefits provided for medical treatment for physical illnesses.

(2) At the request of a reimbursing health maintenance organization, a provider of medical or psychiatric treatment for mental illness shall furnish data substantiating that initial or continued treatment is medically or psychiatrically necessary and appropriate. When making the determination of whether treatment is medically or psychiatrically necessary and appropriate, the provider shall use the same criteria for medical or psychiatric treatment for mental illness as for medical treatment for physical illness under the group contract.

(3) If benefits and coverage for the treatment of physical illness are provided on an expense-incurred basis, the benefits and coverage required under this subsection may be delivered separately under a managed care system.

(4) A policy or contract may not have separate maximums for physical illness and mental illness, separate deductibles and coinsurance amounts for physical illness and mental illness, separate out-of-pocket limits in a benefit period of not more than 12 months for physical illness and mental illness or separate office visitation limits for physical illness and mental illness.

(5) A health benefit plan may not impose a limitation on coverage or benefits for mental illness unless that same limitation is also imposed on the coverage and benefits for physical illness covered under the policy or contract.

2 (6) Copayments required under a policy or contract for
3 benefits and coverage for mental illness must be
4 actuarially equivalent to any coinsurance requirements
5 or, if there are no coinsurance requirements, not
6 greater than any copayment required under the policy or
7 contract for a benefit or coverage for a physical
8 illness.

9 (7) For the purposes of this section, medication
10 management visits associated with a mental illness must
11 be covered in the same manner as a medication
12 management visit for the treatment of a physical
13 illness and may not be counted in the calculation of
14 any maximum outpatient treatment visit limits.

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

19 ~~This subsection may not be construed to allow coverage and~~
20 ~~benefits for the treatment of alcoholism and other drug~~
21 ~~dependencies through the diagnosis of a mental illness listed in~~
22 ~~paragraph A.~~
23

24 **Sec. 23. 24-A MRSA §4234-A, sub-§7**, as amended by PL 1995, c.
25 637, §7, is further amended to read:

26 **7. Mandated offer of coverage for certain mental**
27 **illnesses.** Except as provided in subsection 6, coverage for
28 medical or psychiatric treatment for mental illnesses listed in
29 paragraph A by all individual and group contracts is subject to
30 this subsection.

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

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

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- (5) Panic disorder;
- (6) Obsessive-compulsive disorder; or
- (7) Major depressive disorder.

B. All individual and group policies, contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State ~~on or after July 1, 1996~~ must make available coverage providing benefits that 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.

(1) The offer of coverage must provide benefits for the treatment and diagnosis of mental illnesses under terms and conditions that are no less extensive than the benefits provided for medical treatment for physical illnesses.

(2) At the request of a reimbursing health maintenance organization, a provider of medical or psychiatric treatment for mental illness shall furnish data substantiating that initial or continued treatment is medically or psychiatrically necessary and appropriate. When making the determination of whether treatment is medically or psychiatrically necessary and appropriate, the provider shall use the same criteria for medical or psychiatric treatment for mental illness as for medical treatment for physical illness under the individual or group contract.

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

Sec. 24. 24-A MRSA §4234-A, sub-§8, as enacted by PL 1995, c. 407, §10, is amended to read:

8. Contracts; providers. Subject to approval by the superintendent pursuant to section 4204, a health maintenance organization incorporated under this chapter shall allow providers, including those listed in subsection 8-A or sections 2744 or 2835, subsection 1, to contract, subject to the health maintenance organization's credentialing policy, for the provision of mental health services within the scope of the provider's licensure.

2 **Sec. 25. 24-A MRSA §4234-A, sub-§8-A**, as enacted by PL 1997, c. 174, §1, is amended to read:

4 **8-A. Mental health services provided by counseling professionals.** A health maintenance organization that issues individual or group health care contracts providing coverage for mental health services shall ~~offer~~ provide coverage for those services when performed by a ~~counseling professional~~ licensed clinical professional counselor who is licensed by the State pursuant to Title 32, chapter 119 ~~to assess and treat interpersonal and intrapersonal problems, has at least a masters degree in counseling or a related field from an accredited educational institution and has been employed as counselor for at least 2 years.~~ Any contract providing coverage for the services of counseling professionals pursuant to this subsection may be subject to any reasonable limitations, maximum benefits, coinsurance, deductibles or exclusion provisions applicable to overall benefits under the contract. ~~This subsection applies to all contracts executed, delivered, issued for delivery, continued or renewed in this State on or after January 1, 1998. For purposes of this subsection, all contracts are deemed renewed no later than the next yearly anniversary of the contract date.~~

24 **Sec. 26. 24-A MRSA §4234-A, sub-§11**, as amended by PL 1995, c. 673, Pt. D, §8, is further amended to read:

26 **11. Application.** Except as otherwise provided, the requirements of this section apply to all policies, contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State ~~on and after July 1, 1996.~~ Contracts entered into with the State Government or the Federal Government to service Medicaid or Medicare populations may limit the services provided under such contracts consistent with the terms of those contracts if mental health services are provided to these populations by other means. For purposes of this section, all contracts are deemed renewed no later than the next yearly anniversary of the contract date.

38 **Sec. 27. Application.** The requirements of this Act apply to all policies, contracts and certificates executed, delivered, issued for delivery, continued or renewed in this State on or after the effective date of this Act. For purposes of this Act, all contracts are deemed to be renewed no later than the next yearly anniversary of the contract date.

46 **Sec. 28. Appropriations and allocations.** The following appropriations and allocations are made.

48 **HUMAN SERVICES, DEPARTMENT OF**

Medical Care - Payments to Providers 0147

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Initiative: Provides for a reduction in funding to reflect the savings to the Medicaid program resulting from increased mental health coverage requirements on health plans.

GENERAL FUND	2001-02	2002-03
All Other	\$0	(\$860,384)
FEDERAL EXPENDITURES FUND	2001-02	2002-03
All Other	\$0	(\$1,693,442)
HUMAN SERVICES, DEPARTMENT OF		
DEPARTMENT TOTALS	2001-02	2002-03
GENERAL FUND	\$0	(\$860,384)
FEDERAL EXPENDITURES FUND	\$0	(\$1,693,442)
DEPARTMENT TOTAL - ALL FUNDS	\$0	(\$2,553,826)

BEHAVIORAL AND DEVELOPMENTAL SERVICES, DEPARTMENT OF

Mental Health Services - Children 0136

Initiative: Provides for a reduction in funding to reflect the savings resulting from increased mental health coverage requirements on health plans.

GENERAL FUND	2001-02	2002-03
All Other	\$0	(\$122,691)

Mental Health Services - Community 0121

Initiative: Provides for a reduction in funding to reflect the savings resulting from increased mental health coverage requirements on health plans.

GENERAL FUND	2001-02	2002-03
All Other	\$0	(\$142,194)

Augusta Mental Health Institute 0105

Initiative: Provides for a reduction in funding to reflect the savings resulting from increased mental health coverage requirements on health plans.

OTHER SPECIAL REVENUE FUNDS	2001-02	2002-03
All Other	\$0	(\$15,131)

Disproportionate Share - Augusta Mental Health Institute 0733

COMMITTEE AMENDMENT "B" to H.P. 1205, L.D. 1627

2 Initiative: Provides for a reduction in funding to reflect the
 4 savings resulting from increased mental health coverage
 requirements on health plans.

6	GENERAL FUND	2001-02	2002-03
	All Other	\$0	(\$7,688)

8 **Office of Substance Abuse 0679**

10 Initiative: Provides for a reduction in funding to reflect the
 12 savings resulting from increased mental health coverage
 requirements on health plans.

16	GENERAL FUND	2001-02	2002-03
	All Other	\$0	(\$10,462)

18 **BEHAVIORAL AND DEVELOPMENTAL SERVICES, DEPARTMENT OF
 DEPARTMENT TOTALS**

20	GENERAL FUND	\$0	(\$283,035)
22	OTHER SPECIAL REVENUE FUNDS	\$0	(\$15,131)
24	DEPARTMENT TOTAL - ALL FUNDS	\$0	(\$298,166)

26 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

28 **Accident-Sickness-Health Insurance 0455**

30 Initiative: Provides an appropriation to fund the increased
 32 costs to the state employee health plan that will result from
 increased mental health coverage requirements on health plans.

34	GENERAL FUND	2001-02	2002-03
	All Other	\$0	\$81,850

36 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF
 38 DEPARTMENT TOTALS**

40	GENERAL FUND	\$0	\$81,850
42	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$81,850

44	SECTION TOTALS	2001-02	2003-03
	GENERAL FUND	\$0	(\$1,061,569)
46	FEDERAL EXPENDITURES FUND	\$0	(\$1,693,442)
	OTHER SPECIAL REVENUE FUNDS	\$0	(\$15,131)
48	SECTION TOTAL - ALL FUNDS	\$0	(\$2,770,142)

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Further amend the bill by inserting at the end before the summary the following:

FISCAL NOTE

2002-03

APPROPRIATIONS/ALLOCATIONS

General Fund	(\$1,061,569)
Other Funds	(1,708,573)

REVENUES

Other Funds	(\$1,693,442)
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The bill includes a net General Fund deappropriation of \$1,061,569 in fiscal year 2002-03. This includes a General Fund appropriation of \$81,850 in fiscal year 2002-03, offset by a General Fund deappropriation of \$1,143,419. The bill includes a Federal Expenditures Fund deallocation of \$1,693,442 in fiscal year 2002-03 for a reduction in federal match as a result of reduced Medicaid spending. The bill also includes an Other Special Revenue funds deallocation of \$15,131 in fiscal year 2002-03 resulting from a reduction in Department of Behavioral and Developmental Services spending. The bill will likely result in an increase in costs to private health plans with more than 20 employees insured in their group. The fiscal impact of this increase can not be estimated at the present time and is not included in this fiscal note.

The bill includes a General Fund deappropriation of \$860,384 in fiscal year 2002-03 to the Medical Care - Payments to Providers account in the Department of Human Services. This deappropriation reflects estimated savings to the Medicaid program that will result from expanding mental health coverage requirements for health plans with more than 20 employees insured under their group. The bill includes a Federal Expenditures Fund deallocation of \$1,693,442 in fiscal year 2002-03 for the reduction in federal matching funds. In the next biennium, General Fund savings to the Medicaid program are estimated to be \$3,137,274 in fiscal year 2003-04 and \$6,376,733 in fiscal year 2004-05.

The bill includes a total General Fund deappropriation of \$283,035 in fiscal year 2002-03 for Department of Behavioral and Developmental Services' programs. Department savings in fiscal year 2002-03 include deappropriations of \$122,691 in the Mental Health Services-Children account; \$142,194 in the Mental Health

COMMITTEE AMENDMENT "B" to H.P. 1205, L.D. 1627

Services - Community account; \$7,688 in the Augusta Mental Health Institute DSH account; and \$10,462 in the Office of Substance Abuse account. The bill also includes a \$15,131 deallocation in Other Special Revenue funds for the Augusta Mental Health Institute. For the next biennium, General Fund savings to the department's programs are estimated to be \$755,578 in fiscal year 2003-04 and \$831,136 in 2004-05.

The bill includes a General Fund appropriation of \$81,850 for the state employee health program in the Department of Administrative and Financial Services in fiscal year 2002-03 to fund the increased costs to the state employee health plan resulting from the increase in mental health coverage requirements. For the next biennium, General Fund costs are estimated to be \$339,678 in fiscal year 2002-03 and \$390,629 in fiscal year 2004-05.

While state-funded benefit programs that currently provide mental health benefits are expected to experience savings under the requirements of this bill, private health plans will likely experience cost increases similar to those the State's employee health plan is estimating -- .2 to .4% of current premiums. The provisions of the bill affecting private health plans are limited to those with 20 or more employees insured under the group policy.

The Bureau of Insurance in the Department of Professional and Financial Regulation will incur some minor additional costs to review an anticipated increase in filings as a result of the bill. These costs can be absorbed within the department's existing budgeted resources.'

SUMMARY

This amendment is the minority report and replaces the bill. The amendment expands the coverage of illness to include 11 categories of mental illness as defined in the Diagnostic and Statistical Manual of Mental Disorders, as periodically revised, and allows that coverage to be delivered as a carve out under a managed care system. The amendment requires parity coverage for those mental illnesses and applies the provision to all health benefit plans covering groups of 21 or more. The amendment makes no change to the mandated offer of parity requirement for individual plans and group plans covering fewer than 20 persons under current law.

Like the majority report, the amendment includes licensed clinical professional counselors in the definition of providers eligible to treat mental illness and receive reimbursement for those services. The amendment also requires coverage for

COMMITTEE AMENDMENT "B" to H.P. 1205, L.D. 1627



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residential treatment services and home support services. The provisions apply to all policies and contracts issued or renewed on or after the effective date of this bill.

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The amendment also adds a fiscal note to the bill.