

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)



120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1821

H.P. 1364

House of Representatives, June 4, 2001

**Resolve, to Require Further Study of the Effect and Cost Impact of
Mental Illness on the State and Private Health Insurance.**

(EMERGENCY)

Reported by Representative O'NEIL for the Joint Standing Committee on Banking and Insurance pursuant to Joint Order 2001, H.P. 1358.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

2 **Emergency preamble.** Whereas, Acts and resolves of the
Legislature do not become effective until 90 days after
adjournment unless enacted as emergencies; and

4
6 **Whereas,** legislation has been introduced in the First
Regular Session of the 120th Legislature to require equality in
health insurance coverage for mental illness, eating disorders
and substance abuse treatment; and

10 **Whereas,** the Bureau of Insurance reports that approximately
one in 5 Mainers has some form of mental illness; and

12
14 **Whereas,** millions of General Fund dollars are appropriated
every year for the treatment of these conditions for children and
adults in the budgets for the Department of Mental Health, Mental
Retardation and Substance Abuse Services, the Department of Human
Services, the Department of Education and the Department of
Corrections; and

20 **Whereas,** a comprehensive examination of cost-shifting from
the private health insurance industry to Maine taxpayers has
never been undertaken by State Government; and

24 **Whereas,** all studies of proposed mandated health insurance
benefits for mental illness have neglected to include information
about cost savings to the State and to private employers; and

28 **Whereas,** these same mandate studies have never included
information from the private health insurance industry regarding
the numbers of denied claims for coverage of mental illness; and

32 **Whereas,** the Governor's Year 2000 Blue Ribbon Commission on
Health Care report indicates cost-shifting occurs in many forms
and contributes to the complexity of the health care delivery
system and uneven treatment of consumers; and

36
38 **Whereas,** in the judgment of the Legislature, these facts
create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
necessary for the preservation of the public peace, health and
safety; now, therefore, be it

42
44 **Sec. 1. Cost savings to state agencies. Resolved:** That the
Department of Mental Health, Mental Retardation and Substance
Abuse Services, the Department of Human Services, the Department
of Education and the Department of Corrections shall study the
cost savings in their department budgets that may result from
enactment of legislation mandating that private health insurance
provide equality in coverage of mental illness and mental
disorders, eating disorders and substance abuse for adults and

2 children. In addition to the estimates of cost savings, the
2 departments shall provide the following information:

4 1. The aggregate number of children and adult beneficiaries
of state-funded services who have or have had private health
6 insurance at any time while they are receiving or have received
state-funded services and the aggregate amount of state dollars
8 expended for those services; and

10 2. The aggregate number of children who have received the
eligibility option under the Katie Beckett program for mental
12 health services after denial of coverage by their families'
private health insurers.

14 The departments shall submit a report containing the
16 information required by this section to the Department of
Professional and Financial Regulation, Bureau of Insurance by
18 November 1, 2001; and be it further

20 **Sec. 2. Private health insurance; claims denials for coverage of mental
illness. Resolved:** That the Department of Professional and
22 Financial Regulation, Bureau of Insurance shall collect the
following information related to claims denials for coverage of
24 mental illness for the years 1995 to 2000:

26 1. The number of claims denials for coverage of mental
health services and the general reasons for those claims denials
28 for each health insurer doing business in Maine; and

30 2. The number of complaints and grievances filed with
health insurers and the Bureau of Insurance for denial of
32 coverage for mental health services and the resolution of those
complaints and grievances; and be it further

34 **Sec. 3. Bureau of Insurance report. Resolved:** That the
36 Department of Professional and Financial Regulation, Bureau of
Insurance shall submit the report required pursuant to the Maine
38 Revised Statutes, Title 24-A, section 2752 evaluating the
proposed mandated health insurance benefit for parity coverage of
40 mental illness and mental disorders, eating disorders and
substance abuse to the Joint Standing Committee on Banking and
42 Insurance by January 15, 2002. The report submitted by the
bureau must include the information required under sections 1 and
44 2 of this resolve; and be it further

46 **Sec. 4. Allocation. Resolved:** That the following funds are
allocated from Other Special Revenue funds to carry out the
48 purposes of this resolve.

2001-02

2
4
6
8
10
12
14
16
18
20
22
24
26
28
30
32
34
36
38
40
42
44
46
48

**PROFESSIONAL AND FINANCIAL
REGULATION, DEPARTMENT OF**

Bureau of Insurance

All Other \$2,400

Allocates funds to compile information related to claims denials for coverage of mental illness from 1995 to 2000 and to prepare the required report.

Emergency clause. In view of the emergency cited in the preamble, this resolve takes effect when approved.

FISCAL NOTE

2001-02

APPROPRIATIONS/ALLOCATIONS

Other Funds \$2,400

REVENUES

Other Funds \$2,400

The additional costs associated with submitting a report to the Bureau of Insurance can be absorbed by the Department of Corrections, the Department of Human Services and the Department of Mental Health, Mental Retardation and Substance Abuse Services utilizing existing budgeted resources.

The Department of Education will require additional General Fund appropriations of an indeterminate amount in fiscal year 2001-02 to collect certain information from 3,834 students and their families who are expected to be affected by this legislation.

This resolve includes an Other Special Revenue funds allocation of \$2,400 in fiscal year 2001-02 for the Bureau of Insurance within the Department of Professional and Financial Regulation to compile the required information and submit the report by January 15, 2002.

SUMMARY

2

4 This resolve is reported out pursuant to joint order by the
Joint Standing Committee on Banking and Insurance. The resolve
6 requires the Department of Mental Health, Mental Retardation and
Substance Abuse Services, the Department of Human Services, the
Department of Education and the Department of Corrections to
8 study the cost savings to the state budget that may result from
legislation requiring parity coverage for mental illness and
10 mental disorders, eating disorders and substance abuse. The
resolve also requires the Department of Professional and
12 Financial Regulation, Bureau of Insurance to collect information
relating to the denial of claims for coverage of mental illness
14 over the last 5 years. The resolve requires the Bureau of
Insurance to compile this information on cost savings and claims
16 denials in a report to the Joint Standing Committee on Banking
and Insurance by January 15, 2002.

18

The resolve is an emergency and takes effect when approved.

20

The resolve also includes an allocation section and a fiscal
22 note.