

FIRST REGULAR SESSION

SENATE BILL NO. 80

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR RAZER.

0784S.01I

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal section 376.1550, RSMo, and to enact in lieu thereof one new section relating to insurance coverage for mental health conditions.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 376.1550, RSMo, is repealed and one
2 new section enacted in lieu thereof, to be known as section
3 376.1550, to read as follows:

376.1550. 1. Notwithstanding any other provision of
2 law to the contrary, each health carrier that offers or
3 issues health benefit plans which are delivered, issued for
4 delivery, continued, or renewed in this state on or after
5 January 1, 2005, shall provide coverage for a mental health
6 condition, as defined in this section, and shall comply with
7 the following provisions:

8 (1) A health benefit plan shall provide coverage for
9 treatment of a mental health condition and shall not
10 establish any rate, term, or condition that places a greater
11 financial burden on an insured for access to treatment for a
12 mental health condition than for access to treatment for a
13 physical health condition. Any deductible or out-of-pocket
14 limits required by a health carrier or health benefit plan
15 shall be comprehensive for coverage of all health
16 conditions, whether mental or physical;

17 (2) The coverages set forth [is] **in** this subsection:

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

18 (a) May be administered pursuant to a managed care
19 program established by the health carrier; and

20 (b) May deliver covered services through a system of
21 contractual arrangements with one or more providers,
22 hospitals, nonresidential or residential treatment programs,
23 or other mental health service delivery entities certified
24 by the department of mental health, or accredited by a
25 nationally recognized organization, or licensed by the state
26 of Missouri;

27 (3) A health benefit plan [that does not otherwise
28 provide for management of care under the plan or that does
29 not provide for the same degree of management of care for
30 all health conditions] may provide coverage for treatment of
31 mental health conditions through a managed care
32 organization; provided that the managed care organization is
33 in compliance with rules adopted by the department of
34 commerce and insurance that assure that the system for
35 delivery of treatment for mental health conditions does not
36 diminish or negate the purpose of this section. The rules
37 adopted by the director shall assure that:

38 (a) Timely and appropriate access to care is available;

39 (b) The quantity, location, and specialty distribution
40 of health care providers is adequate; and

41 (c) Administrative or clinical protocols do not serve
42 to reduce access to medically necessary treatment for any
43 insured;

44 (4) [Coverage for treatment for chemical dependency
45 shall comply with sections 376.779, 376.810 to 376.814, and
46 376.825 to 376.836 and for the purposes of this subdivision
47 the term "health insurance policy" as used in sections
48 376.779, 376.810 to 376.814, and 376.825 to 376.836, the
49 term "health insurance policy" shall include group

50 coverage.] A health benefit plan shall not impose a
51 nonquantitative treatment limitation with respect to mental
52 health condition benefits in any classification unless,
53 under the terms of the plan as written and in operation, any
54 processes, strategies, evidentiary standards, or other
55 factors used in applying the nonquantitative treatment
56 limitation to mental health condition benefits in the
57 classification are comparable to, and are applied no more
58 stringently than, the processes, strategies, evidentiary
59 standards, or other factors used in applying the limitation
60 with respect to medical or surgical benefits in the
61 classification.

62 2. As used in this section, the following terms mean:

63 (1) ["Chemical dependency", the psychological or
64 physiological dependence upon and abuse of drugs, including
65 alcohol, characterized by drug tolerance or withdrawal and
66 impairment of social or occupational role functioning or
67 both] "Classification of benefits" or "classification", the
68 classification to which all mental health condition benefits
69 and medical or surgical benefits shall be assigned.

70 Classifications shall include:

- 71 (a) Inpatient in-network;
- 72 (b) Inpatient out-of-network;
- 73 (c) Outpatient in-network;
- 74 (d) Outpatient out-of-network;
- 75 (e) Emergency care; and
- 76 (f) Prescription drugs;

77 (2) "Health benefit plan", the same meaning as such
78 term is defined in section 376.1350;

79 (3) "Health carrier", the same meaning as such term is
80 defined in section 376.1350;

81 (4) "Mental health condition", any condition or
82 disorder defined by categories listed in the most recent
83 edition of the Diagnostic and Statistical Manual of Mental
84 Disorders;

85 (5) "Managed care organization", any financing
86 mechanism or system that manages care delivery for its
87 members or subscribers, including health maintenance
88 organizations and any other similar health care delivery
89 system or organization;

90 (6) "Nonquantitative treatment limitation", any
91 limitation on the scope or duration of treatment that is not
92 expressed numerically. Nonquantitative treatment
93 limitations include:

94 (a) Medical management standards limiting or excluding
95 benefits based on medical necessity or medical
96 appropriateness, or based on whether the treatment is
97 experimental or investigative;

98 (b) Formulary design for prescription drugs;

99 (c) For plans with multiple network tiers, such as
100 preferred providers and participating providers, network
101 tier design;

102 (d) Standards for provider admission to participate in
103 a network, including reimbursement rates;

104 (e) Plan methods for determining usual, customary, and
105 reasonable charges;

106 (f) Refusal to pay for higher cost therapies until it
107 can be shown that a lower cost therapy is not effective;

108 (g) Exclusions based on failure to complete a course
109 of treatment;

110 (h) Restrictions based on geographic location,
111 facility type, provider specialty, and other criteria that

112 **limit the scope or duration of benefits for services**
113 **provided under the plan or coverage;**
114 **(i) In- and out-of-network geographic limitations;**
115 **(j) Standards for providing access to out-of-network**
116 **providers;**
117 **(k) Limitations on inpatient services for situations**
118 **when the participant is a threat to self or others;**
119 **(l) Exclusions for court-ordered and involuntary holds;**
120 **(m) Experimental treatment limitations;**
121 **(n) Service coding;**
122 **(o) Exclusions for services provided by clinical**
123 **social workers; and**
124 **(p) Network adequacy;**
125 **(7) "Rate, term, or condition", any lifetime or annual**
126 **payment limits, deductibles, co-payments, coinsurance, and**
127 **other cost-sharing requirements, out-of-pocket limits, visit**
128 **limits, and any other financial component of a health**
129 **benefit plan that affects the insured.**

130 3. This section shall not apply to [a health plan or
131 policy that is individually underwritten or provides such
132 coverage for specific individuals and members of their
133 families pursuant to section 376.779, sections 376.810 to
134 376.814, and sections 376.825 to 376.836,] a supplemental
135 insurance policy, including a life care contract, accident-
136 only policy, specified disease policy, hospital policy
137 providing a fixed daily benefit only, Medicare supplement
138 policy, long-term care policy, hospitalization-surgical care
139 policy, short-term major medical policies of six months or
140 less duration, or any other supplemental policy as
141 determined by the director of the department of commerce and
142 insurance.

143 4. Notwithstanding any other provision of law to the
144 contrary, all health insurance policies that cover state
145 employees, including the Missouri consolidated health care
146 plan, shall include coverage for mental [illness] **health**
147 **conditions**. Multiyear group policies need not comply until
148 the expiration of their current multiyear term unless the
149 policyholder elects to comply before that time.

150 5. The provisions of this section shall not be
151 violated if the insurer decides to apply different limits or
152 exclude entirely from coverage the following:

153 (1) Marital, family, educational, or training services
154 unless medically necessary and clinically appropriate;

155 (2) Services rendered or billed by a school or halfway
156 house;

157 (3) Care that is custodial in nature;

158 (4) Services and supplies that are not immediately nor
159 clinically appropriate; or

160 (5) Treatments that are considered experimental.

161 6. The director shall grant a policyholder a waiver
162 from the provisions of this section if the policyholder
163 demonstrates to the director by actual experience over any
164 consecutive twenty-four-month period that compliance with
165 this section has increased the cost of the health insurance
166 policy by an amount that results in a two percent increase
167 in premium costs to the policyholder. The director shall
168 promulgate rules establishing a procedure and appropriate
169 standards for making such a demonstration. Any rule or
170 portion of a rule, as that term is defined in section
171 536.010, that is created under the authority delegated in
172 this section shall become effective only if it complies with
173 and is subject to all of the provisions of chapter 536 and,
174 if applicable, section 536.028. This section and chapter

175 536 are nonseverable and if any of the powers vested with
176 the general assembly pursuant to chapter 536 to review, to
177 delay the effective date, or to disapprove and annul a rule
178 are subsequently held unconstitutional, then the grant of
179 rulemaking authority and any rule proposed or adopted after
180 August 28, 2004, shall be invalid and void.

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