

## **BILL ANALYSIS**

C.S.H.B. 1599  
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Public Health  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties observe that the criteria for mental health diagnoses and services are different for children and adults and note that some children may face barriers in accessing the care for these services due to such differences. The parties contend that clarification of what constitutes a serious emotional disturbance of a child is needed to provide a benchmark by which compliance with federal parity standards may be measured. C.S.H.B. 1599 seeks to provide that clarification and require a one-time study to be conducted regarding claims for coverage of serious emotional disturbance of a child.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 1599 amends the Insurance Code to require a group health benefit plan to provide coverage for a diagnosis of serious emotional disturbance of a child as defined by the bill, based on medical necessity, for not less than 45 days of inpatient treatment and 60 visits for outpatient treatment in each calendar year. The bill prohibits a group health benefit plan from including a lifetime limitation on the number of days of inpatient treatment or the number of visits for outpatient treatment covered under the plan and requires a group health benefit plan to include the same amount of limitations, deductibles, copayments, and coinsurance factors for serious emotional disturbance of a child as the plan includes for physical illness. The bill prohibits a group health benefit plan issuer from counting an outpatient visit for medication management against the number of outpatient visits required to be covered for serious emotional disturbance of a child and requires a group health benefit plan issuer to provide coverage for an outpatient visit for serious emotional disturbance of a child under the same terms as the coverage the issuer provides for an outpatient visit for the treatment of physical illness. The bill exempts a basic plan under the Texas Public School Retired Employees Group Benefits Act and a primary care coverage plan under the Texas School Employees Uniform Group Health Coverage Act from the bill's provisions. The bill includes serious emotional disturbance of a child in the applicability of provisions regarding conditions for coverage for alternative mental health treatments benefits.

C.S.H.B. 1599 requires the Texas Department of Insurance (TDI) to conduct a study to determine and evaluate the extent to which enrollees are making claims under coverage for serious emotional disturbance of a child and the impact, if any, the coverage for serious emotional disturbance of a child and the claims have on the cost of the coverage for group health

benefit plans. The bill requires TDI to submit, not later than August 1, 2018, to the governor, the lieutenant governor, the speaker of the house of representatives, and the appropriate standing committees of the legislature a report regarding the results of the study together with any recommendations for legislation. These provisions regarding the study expire September 1, 2019.

C.S.H.B. 1599 applies only to a group health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2018.

**EFFECTIVE DATE**

September 1, 2017.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 1599 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

**INTRODUCED**

SECTION 1. Section 1355.001, Insurance Code, is amended by adding Subdivision (5) to read as follows:

(5) "Serious emotional disturbance of a child" means an emotional or behavioral disorder or a neuropsychiatric condition that causes a person's functioning to be impaired in thought, perception, affect, or behavior and that:

(A) has been diagnosed, by a physician licensed to practice medicine in this state, a psychologist licensed to practice in this state, or a licensed professional counselor licensed to practice in this state, in a person who is at least three years of age and younger than 17 years of age; and

(B) meets at least one of the following criteria:

(i) the disorder substantially impairs the person's ability in at least two of the following activities or tasks:

- (a) self-care;
- (b) engaging in family relationships;
- (c) functioning in school; or
- (d) functioning in the community;

(ii) the disorder creates a risk that the person will be removed from the person's home and placed in a more restrictive environment, including in a facility or program operated by the Department of

**HOUSE COMMITTEE SUBSTITUTE**

SECTION 1. Section 1355.001, Insurance Code, is amended by adding Subdivision (5) to read as follows:

(5) "Serious emotional disturbance of a child" means an emotional or behavioral disorder or a neuropsychiatric condition that causes a person's functioning to be impaired in thought, perception, affect, or behavior and that:

(A) has been diagnosed or identified, as applicable, in a person who is at least three years of age and younger than 18 years of age by:

- (i) a physician licensed to practice medicine in this state and practicing within the scope of the physician's license; or
- (ii) a psychologist or licensed professional counselor licensed to practice in this state and practicing within the scope of the psychologist's or licensed professional counselor's license; and

(B) meets at least one of the following criteria:

(i) the disorder substantially impairs the person's ability in at least two of the following activities or tasks:

- (a) self-care;
- (b) engaging in family relationships;
- (c) functioning in school; or
- (d) functioning in the community;

(ii) the disorder creates a risk that the person will be removed from the person's home and placed in a more restrictive environment, including in a facility or program operated by the Department of

Family and Protective Services or an agency that is part of the juvenile justice system;  
(iii) the disorder causes the person to:  
(a) display psychotic features or violent behavior; or  
(b) pose a danger to the person's self or others; or  
(iv) the disorder results in the person meeting state special education eligibility requirements for serious emotional disturbance.

SECTION 2. Subchapter A, Chapter 1355, Insurance Code, is amended.

SECTION 3. Sections 1355.005 and 1355.007, Insurance Code, are amended to read as follows:

Sec. 1355.005. MANAGED CARE PLAN AUTHORIZED. A group health benefit plan issuer may provide or offer coverage required by Section 1355.004 or 1355.041 through a managed care plan.

Sec. 1355.007. SMALL EMPLOYER COVERAGE. An issuer of a group health benefit plan to a small employer must offer the coverage described by Section 1355.004 or 1355.041 to the employer but is not required to provide the coverage if the employer rejects the coverage.

SECTION 4. Section 1355.054(a), Insurance Code, is amended.

SECTION 5. The change in law made by this Act applies only to a group health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2018. A group health benefit plan that is delivered, issued for delivery, or renewed before January 1, 2018, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 6. This Act takes effect September 1, 2017.

Family and Protective Services or an agency that is part of the juvenile justice system;  
(iii) the disorder causes the person to:  
(a) display psychotic features or violent behavior; or  
(b) pose a danger to the person's self or others; or  
(iv) the disorder results in the person meeting state special education eligibility requirements for emotional disturbance.

SECTION 2. Same as introduced version.

SECTION 3. Sections 1355.005 and 1355.007, Insurance Code, are amended to read as follows:

Sec. 1355.005. MANAGED CARE PLAN AUTHORIZED. A group health benefit plan issuer may provide or offer coverage required by Section 1355.004 or 1355.0041 through a managed care plan.

Sec. 1355.007. SMALL EMPLOYER COVERAGE. An issuer of a group health benefit plan to a small employer must offer the coverage described by Section 1355.004 or 1355.0041 to the employer but is not required to provide the coverage if the employer rejects the coverage.

SECTION 4. Same as introduced version.

SECTION 5. Same as introduced version.

SECTION 6. Same as introduced version.