

BILL ANALYSIS

Senate Research Center

C.S.H.B. 1173
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Economic Development
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Committee Report (Substituted)

DIGEST

Currently, the Insurance Code requires insurers to offer and make available to group policyholders coverage for certain serious mental illnesses. However, persons with serious mental illness may still be unable to obtain adequate mental health care due to restrictions or limits in coverage. C.S.H.B. 1173 would expand the definition of serious mental illness and require group health benefit plans to provide coverage for the medical treatment of serious mental illness. Additionally, this bill would require plans to provide coverage for inpatient and outpatient treatment and prohibit plans from including a lifetime limit on these treatments.

PURPOSE

As proposed, C.S.H.B. 1173 provides for coverage by certain health benefit plans for certain serious mental illnesses.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article 3.51-14, Insurance Code, as follows:

Art. 3.51-14. New heading: **COVERAGE FOR CERTAIN SERIOUS MENTAL ILLNESSES**

Sec. 1. New heading: **DEFINITIONS**. Redefines "serious mental illness" and defines "group health benefit plan" and "small employer."

Sec. 2. New heading: **SCOPE OF ARTICLE**. Provides that this article applies only to a group health benefit plan that provides benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness, including certain insurance policies or agreements, group hospital service corporations, health maintenance organizations, fraternal benefit societies, stipulated premium insurance companies, and group health benefit plans. Deletes existing text regarding mandatory coverage and exemptions. Authorizes this article, notwithstanding Section 172.014, Local Government Code, or any other law, to apply to health and accident coverage provided by a pool created under Chapter 172, Local Government Code, if requested by an individual entity.

Sec. 3. New heading: **REQUIRED COVERAGE FOR SERIOUS MENTAL ILLNESSES**. Requires a group health benefit plan, except as provided by Section 4 of this article, to provide coverage for 45 days of inpatient treatment and 60 visits for outpatient treatment in each calendar year; and to include the same amount limits, deductibles, and coinsurance factors for serious mental illness as for physical illness. Prohibits a group health benefit plan from including a lifetime limit on the number of days of inpatient treatment or the number of outpatient visits covered under the plan. Prohibits the issuer of a group health benefit plan from counting toward the number of outpatient visits required to be covered under Subsection (a)(1) an outpatient visit for the purpose of medication management; and requires the issuer of a group health benefit plan to cover that outpatient visit under the same terms and conditions as it covers outpatient visits for treatment of physical illness. Authorizes an

issuer of a group health benefit plan to provide or offer coverage through a managed care plan. Deletes existing text regarding the level of coverage offered under this article.

Sec. 4. **SMALL EMPLOYER COVERAGE.** Requires an issuer of a group health benefit plan to a small employer to offer the coverage described in Section 3 of this article, with certain exceptions.

Sec. 5. **CERTAIN BENEFITS PROHIBITED.** Prohibits this article from being interpreted to require a group health benefit plan to provide coverage for treatment of addiction to a controlled substance or marihuana that is used in violation of law; or mental illness resulting from the use of a controlled substance or marihuana in violation of law. Defines "controlled substance" and "marihuana."

SECTION 2. Effective date: September 1, 1997.

Makes application of this Act prospective to January 1, 1998.

SECTION 3. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends Section 1, Article 3.51-14, Insurance Code, to redefine "serious mental illness" to include pervasive developmental disorders, obsessive-compulsive disorders, and depression in childhood and adolescence; and to delete the inclusion of a psychiatric illness that is experienced in the period beginning a year before the date of treatment by a person younger than 18 years of age and that interferes with or limits the person's ability to function.

Amends Section 2, Article 3.51-14, Insurance Code, to authorize this article to apply to health and accident coverage by certain pools, if requested by an individual entity. Deletes proposed text which provides that this article applies to health and accident coverage provided by certain risk pools.