

## **BILL ANALYSIS**

Senate Research Center

H.B. 1491  
By: Farabee (Van de Putte)  
Business & Commerce  
5/11/2001  
Engrossed

### **DIGEST AND PURPOSE**

Currently, many private insurance policies do not provide coverage for a child's mental illness that is comparable to the coverage provided for a physical illness. H.B. 1491 requires private health benefit plans to provide the same level of health care coverage for the mental health of a child that it provides for a child's physical health.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 (Article 21.53R, Insurance Code), of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 21E, Insurance Code, by adding Article 21.53R as follows:

#### Article 21.53R. COVERAGE FOR CERTAIN MENTAL DISORDERS IN CHILDREN

Sec. 1. Defines "child" and "mental disorder."

Sec. 2. APPLICABILITY OF ARTICLE. (a) Provides that this article applies only to a health benefit plan that provides benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness, including an individual, group, blanket, or franchise insurance policy or insurance agreement, a group hospital service contract, or an individual or group evidence of coverage or similar coverage document that is offered by certain entities.

(b) Provides that this article applies to a small employer health benefit plan written under Chapter 26 of this code.

(c) Provides that this plan does not apply to certain plans, medicare supplements, or medical payment insurance coverage.

Sec. 3. COVERAGE REQUIRED. (a) Requires a health benefit plan to provide coverage for an enrollee who is a child for the diagnosis and treatment of a mental disorder. Requires a health benefit plan, except as provided by this article, to provide coverage required under this subsection under the same terms and conditions as coverage for diagnosis and treatment of physical illness.

(b) Authorizes coverage under this article to be provided or offered through a managed care plan.

Sec. 4. COVERAGE OF INPATIENT STAYS AND OUTPATIENT VISITS. Requires a health benefit plan, except as provided by this section, to cover inpatient stays and outpatient visits under this article under the same terms and conditions as the plan covers inpatient stays and outpatient visits for treatment of a physical illness. Prohibits coverage required by this

article from being subject to an annual or lifetime limit on the number of days of inpatient treatment or the number of outpatient visits covered under the plan.

Sec. 5. AMOUNT OF LIMITS; DEDUCTIBLES; COPAYMENTS; COINSURANCE. Requires coverage provided under this article to be subject to the same amount of limits, deductibles, copayments, and coinsurance factors as coverage for physical illness.

Sec. 6. RULES. Requires the commissioner to adopt rules as necessary to implement this article.

SECTION 2. Amends Article 3.51-14, Section 1(1), Insurance Code, to redefine “serious mental illness.”

SECTION 3. Amends Article 3.51-14, Section 3(A), Insurance Code to include reference to Article 21.53R of this code.

SECTION 4. (a) Requires the Sunset Advisory Commission, on or before September 1, 2006, to conduct a study to determine certain things.

(b) Requires the Sunset Advisory Commission to report its finding under this section to the legislature on or before January 1, 2007.

(c) Requires the Texas Department of Insurance and any other state agency to cooperate with the Sunset Advisory Commission as necessary to implement this section.

SECTION 5. Effective date: September 1, 2001. Makes application of this Act prospective to January 1, 2002.