

## **BILL ANALYSIS**

Senate Research Center  
77R4990 AJA-F

S.B. 806  
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### **DIGEST AND PURPOSE**

Currently, many private insurance policies do not cover children's mental health illnesses at the same level of physical health care. As a result, many mental illnesses in children are not treated and sometimes not even discovered until the mental illness in a child causes a physical ailment. As proposed, S.B. 806 directs insurance benefit plans to cover children's mental health at the same level as physical health coverage.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 (Section 6, 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:

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

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

Sec. 2. APPLICABILITY OF ARTICLE. 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 that is offered by certain entities. Provides that this article applies to a small employer health benefit plan written under Chapter 26 (Health Insurance Availability) of this code. Provides that this article does not apply to a plan that provides coverage for certain conditions; a Medicare supplemental policy as defined by Section 1882(g)(1), Social Security Act (42 U.S.C. Section 1395ss), as amended; a workers' compensation insurance policy; medical payment insurance coverage provided under a motor vehicle insurance policy; or a long-term care insurance policy, including a nursing home fixed indemnity policy, unless the commissioner of insurance (commissioner) determines that the policy provides benefit coverage so comprehensive that the policy is a health benefit plan as described by this section.

Sec. 3. COVERAGE REQUIRED. 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. Authorizes coverage required 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 a 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 LIMITS; DEDUCTIBLES; COPAYMENTS; COINSURANCE.**

Requires coverage provided under this article to be subject to the same amount 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 Section 1(1), Article 3.51-14, Insurance Code, to delete text regarding depression in childhood and adolescence in the definition of “serious mental illness.” Makes a conforming change.

**SECTION 3.** Amends Section 3(a), Article 3.51-14, Insurance Code, to provide that except as provided by Section 4 of this article or Article 21.53R of this code, a group health benefit plan is required to meet certain criteria.

**SECTION 4.** Effective date: September 1, 2001.

Makes application of this Act prospective to January 1, 2002.