

SUBJECT: Defining serious mental illness for state group insurance programs

COMMITTEE: Pensions and Investments — committee substitute recommended

VOTE: 7 ayes — Greenberg, Tillery, George, Rangel, Salinas, Telford, Williams
0 nays
1 present, not voting — Clark
1 absent — Bonnen

WITNESSES: None

BACKGROUND: HB 1173 by Coleman, enacted in 1997, expanded the definition of “serious mental health illness” for purposes of most state group health-insurance coverage. This law, called the Mental Health Parity Act, provides for medical treatment of serious mental health illnesses.

The law did not extend the definition of serious mental health illness to the Texas State Employees Uniform Group Insurance Benefits Plan, to the Texas State College and University Employees Uniform Insurance Benefits Plan, or to local government insurance plans. The state group health-insurance plans are created under separate statutes and cover specific state employees.

DIGEST: CSHB 2424 would amend the definition of “serious mental illness” found in the Texas Employees Uniform Group Insurance Benefits Act and the Texas State College and University Employees Uniform Insurance Benefits Act. The new definition of “serious mental illness” in these statutes would be the definition assigned by Insurance Code, art. 3.51-14, which includes:

- ! schizophrenia,
- ! paranoid and other psychotic disorders,
- ! bipolar disorders,
- ! major depressive disorders,
- ! schizo-affective disorders,
- ! pervasive developmental disorders,
- ! obsessive-compulsive disorders, and

! depression in childhood and adolescence.

The bill also would add this definition to Insurance Code, art. 3.51-5A(b), which, in part, prohibits a local government from offering health-maintenance organization coverage for serious mental illness that is less extensive than physical illness.

CSHB 2424 would exempt the Texas Employees Uniform Group Insurance Benefits Act and the Texas State College and University Employees Uniform Insurance Benefits Act from application of the general article dealing with coverage for serious mental illnesses under state group insurance programs. This article also would not apply to coverage under a limited or specified-disease policy, other than a plan that provided for mental health care or similar services.

The bill would require that a group health-benefit plan, except for plans issued for small employers, include the same copayments for serious mental illness as for physical illness.

CSHB 2424 would take effect September 1, 1999, and would apply only to a health-benefit plan delivered, issued for delivery, or renewed on or after January 1, 2000.

**SUPPORTERS
SAY:**

CSHB 2424 is a much-needed cleanup of the Mental Health Parity Act enacted last session. The bill would bring parity to the definition of a major area of coverage for Texas employees. While employees covered under the Texas Employees Uniform Group Insurance Benefits Act, Texas State College and University Employees Uniform Insurance Benefits Act, and local government coverage already have unlimited benefits that include serious mental illness, these coverages are not as broad as those required under the Mental Health Parity Act. The definition of serious mental illness for these three plans does not include pervasive developmental disorder, obsessive-compulsive disorders, and depression in childhood and adolescence. CSHB 2424 would ensure that all state employees have mental health coverage for these additional illnesses.

With copayments included in the list of mental health charges that a plan must assess at a similar rate compared to physical illness, insurers would not be able to charge unusually high copayments for mental health services.

OPPONENTS
SAY:

While the Texas Employees Uniform Group Insurance Plan and the Texas State College and University Employees Uniform Insurance Plan offer unlimited health benefits, this bill would include new categories of coverage that probably would raise the contribution costs for group members. The rise in costs could spill over into other coverage areas and limit the availability of employer-sponsored health insurance or access to insurance by individuals and families for other health problems.

The expanded definition of serious mental illness would open the door for other benefit mandates at a time when most health-benefit plans advocate reducing state mandates so they can offer more affordable coverage.

NOTES:

The committee substitute amended the original bill by adding the proposed new definition of “serious mental illness” for the Texas Employees Uniform Group Insurance Benefits Act and the Texas State College and University Employees Uniform Insurance Benefits Act. The substitute also added the requirement that a group health-benefit plan must include the same copayments for serious mental illness as for physical illness, except for small employer coverage.