

COMMITTEE STATEMENT

LB 355

HEARING DATE: February 23, 1999

COMMITTEE ON: Banking, Commerce, and Insurance

TITLE: (Robak, Bohlke, Brashear, Brown, Byars, Chambers, Crosby, Cudaback, Dierks, Hartnett, Janssen, Kiel, Lynch, Dw. Pedersen, Preister, Price, Schimek, Schmitt, Suttle, Thompson) Require insurance coverage for mental health conditions

ROLL CALL VOTE – FINAL COMMITTEE ACTION

Advanced to General File

X Advanced to General File with Amendments

Indefinitely Postponed

Vote Results:

| | | |
|---|---------------------|---|
| 7 | Yes | Senators Landis, Tyson, Bourne, Bruning, Byars, Kremer, Schmitt |
| | No | |
| | Present, not voting | |
| 1 | Absent | Senator Jensen |

| PROPOSERS | REPRESENTING |
|----------------------|---|
| Senator Jennie Robak | Introducer |
| Aleisa McKinlay | NE Advocacy Services NE Parity Coalition |
| Ronald Bachman | Price Waterhouse Coopers |
| Linda Jensen | National Alliance for Mentally Ill |
| Trish Schuster | Self |
| J. Rock Johnson | National Alliance for Mentally Ill |
| Dr. Mario Scalora | NE Psychological Association |
| Devorah Lanner | NE Commission on Status of Women |
| Valdeen Nelson | Self |
| Senator Shelley Kiel | Closing for Introducer |
| OPPOSERS | REPRESENTING |
| Paul O'Hara | Blue Cross/Blue Shield |
| Galen Ullstrom | Mutual of Omaha |
| James Watson | United HealthCare of the Midlands |
| Mike Gray | Lincoln Association of Health Underwriters |
| Ron Sedlacek | NE Chamber of Commerce |
| Art Jetter | National Association of Health Underwriters |
| Coleen Nielsen | State Farm Insurance Co. |

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NEUTRAL

REPRESENTING

SUMMARY OF PURPOSE AND/OR CHANGES:

LB 355 (Robak, Bohlke, Brashear, et al.) would amend the insurance statutes to require health insurance plans to cover treatment of mental health conditions. Mental health condition would be defined as any condition or disorder involving mental illness or alcohol or substance abuse that falls under any of the diagnostic categories listed in the Mental Disorders Section of the International Classification of Disease.

The bill, section by section:

Section 1. would provide legislative findings and intent;

Section 2. would define terms: (1) health insurance plan; (2) mental health condition; (3) mental health professional; and (4) rate, term, and condition;

Section 3. (1) would require that every health insurance plan shall provide coverage for treatment of mental health conditions and shall not establish any rate, term, or condition that places a greater financial burden on an insured for access to treatment for a mental health condition than for access to treatment for a physical health condition; and would require that any deductible or out-of-pocket limits required under a health insurance plan shall be comprehensive for coverage of both mental health conditions and physical health conditions;

(2) would provide that any health insurance plan that does not otherwise provide for management of care, or that does not provide for the same degree of management of care of all health conditions, may provide coverage for treatment of mental health conditions through a managed care organization if it is in compliance with rules and regulations of the Department of Insurance that assure that the system for delivery of treatment for mental health conditions does not diminish or negate the purpose of this section;

(3) would provide that a health insurance plan shall be construed to be in compliance with this section if at least one for treatment of mental health conditions has rates, terms, and conditions that place no greater financial burden on the insured than for access to treatment of physical health conditions;

(4) would provide requirements for eligibility of coverage; and

(5) would require the Department of Insurance and the Department of Health and Human Services Regulation and Licensure to adopt and promulgate rules and regulations to carry out this section; and

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Section 4. would provide that section 3 of this bill shall not be construed to: (1) limit the provision of specialized Medicaid covered services for persons with mental health conditions; (2) supersede the provisions of federal law, federal or state Medicaid policy, or the terms and conditions imposed on any Medicaid waiver; or (3) affect any annual health insurance plan until its date of renewal or any health insurance plan governed by a collective bargaining agreement or employment contract until the expiration of the contract.

EXPLANATION OF AMENDMENTS, IF ANY:

The committee amendments would become the bill and would provide, as follows:

The committee amendments would provide that the bill would apply only to group, and not to individual, health insurance plans. Health insurance plans that cover fewer than 15 employees would not be subject to the bill.

The committee amendments would provide that if a health insurance plan covers treatment of mental health conditions (as defined), it shall not establish any rate, term, or condition (as defined) that places a greater financial burden on an insured for access to treatment for a serious mental illness (as defined) than for access to treatment for a physical health condition. Coverage for treatment of alcohol or substance abuse would not trigger the requirement for coverage of serious mental illness. Deductibles, co-payments, and coinsurance for serious mental illness and for physical health conditions could be different.

The committee amendments would require that if a health insurance plan has an out-of-pocket limit for physical health conditions, it must apply as a single comprehensive out-of-pocket limit for both physical health conditions and mental health conditions.

The committee amendments would allow a health insurance plan the option to offer no coverage at all for mental health conditions, and if it does so, the health insurance plan shall provide clear and prominent notice of such non-coverage.

The committee amendments would provide for a two-stage definition of “serious mental illness.” Prior to January 1, 2002, the term would mean only the following conditions (1) schizophrenia; (2) schizoaffective disorder; (3) delusional disorder; (4) bipolar affective disorder; (5) major depression; and (6) obsessive compulsive disorder. Beginning on January 1, 2002, serious mental illness would mean any mental health condition that current medical science affirms is caused by a biological disorder of the brain and that substantially limits the life activities of the person with the serious mental illness. Also beginning on January 1, 2002, the term would include, but would not be limited to, the six conditions enumerated above.

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The committee amendments would provide that the bill does not require coverage for mental health conditions or serious mental illnesses; does not require the same rates, terms, or conditions between treatments for serious mental illnesses and preventative care; does not prohibit separate reimbursement rates and delivery systems; and does not prohibit a health insurance plan from managing the provision of benefits to limit coverage to services that are medically necessary and clinically appropriate.

The committee amendments would provide that a health insurance plan may apply different rates, terms, and conditions or may entirely exclude coverage for (1) marital, family, educational, developmental, or training services, (2) custodial care, (3) services and supplies that are not medically necessary or clinically appropriate, or (4) experimental treatments.

The committee amendments would provide that a health insurance plan is not required to cover out-of-network nonemergency services.

Senator David Landis