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LB 355

PRESIDENT MAURSTAD: Senator Robak to open on LB 355.

SENATOR ROBAK: Thank you, Mr. President, members of the body. I am introducing LB 355. It's my priority bill. And this will require minimum standards for certain group insurance policies that provide coverage for the treatment of mental health conditions. In a nutshell, the bill as amended by Banking, Commerce, and Insurance Companies (sic) requires that if an insurance company covers mental health conditions, the coverage for serious mental illnesses must be equal to or at a parity with coverages provided for other physical illnesses. This parity requirement applies to lifetime caps, annual caps, inpatient day limits, and outpatient visit limits. There would be only one comprehensive maximum out-of-pocket limit. This means that expenses accrued from any illness, physical or mental, will apply to the yearly out-of-pocket limit. Parity would not be required for deductibles, copayments, or coinsurance provisions, and there would be a small group exemption for employee groups of less than 15 people. Finally, the insurance...this bill is not an insurance mandate, because employers may elect, as they do now, to provide no coverage for mental health conditions. However, such policies must contain clear and prominent notice of this to employees. This is the fourth year that I have introduced this mental health parity bill, and I'm pleased to finally be able to be here to discuss the merits of LB 355. In previous years, the bill stayed in committee because we were unsuccessful in rebutting the principal arguments against it: number one, the insurance premium cost would skyrocket; and number two, even if costs could be contained, mandates were not favored in Nebraska unless they would fulfill some compelling, overriding social goal. And I suppose that would lead to the necessity of a third consideration: we were not successful in establishing that treating serious mental illnesses early and effectively does indeed accomplish a compelling social goal. This year, practice made perfect, and the proponents of the bill worked with...worked only on all three of those problems. And I'm happy to report that our efforts have led us to a very different result. First, an actuarial report was commissioned from Price Waterhouse Coopers, using Nebraska data, which established that, contrary to past ad hoc predictions by the insurance industry, premium increases for mental health parity should be minimal,