
By: Senator Dorman

Introduced and read first time: January 29, 1997

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 21, 1997

CHAPTER ____

1 AN ACT concerning

2 **Health Insurance - Benefits for Mental Illness - Referral for Consultation or Specialty**
3 **Services**

4 FOR the purpose of prohibiting certain health insurance benefits, including health
 5 insurance benefits provided under a contract or certificate issued to members and
 6 subscribers by a health maintenance organization, for the diagnosis and treatment
 7 of certain mental illnesses from being subject, for purposes of a covered individual
 8 getting a referral for consultation or specialty services, to a requirement that the
 9 individual see or obtain the approval of a health care provider ~~other than in~~ in
 10 addition to the individual's primary care provider under certain circumstances; and
 11 generally relating to referrals for consultation or specialty services for mental illness
 12 in health insurance.

13 BY repealing and reenacting, without amendments,14 Article - Health - General15 Section 19-703.1(b)(1)16 Annotated Code of Maryland17 (1996 Replacement Volume and 1996 Supplement)18 BY repealing and reenacting, with amendments,19 Article - Health - General20 Section 19-703.1(c)21 Annotated Code of Maryland22 (1996 Replacement Volume and 1996 Supplement)

23 BY repealing and reenacting, without amendments,

24 Article - Insurance

2
1 Section 15-802(b), (c), and (e)(1)
2 Annotated Code of Maryland
3 (1995 Volume and 1996 Supplement)
4 (As enacted by Chapter _____ (H.B. 11) of the Acts of the General Assembly of 1997)

5 BY repealing and reenacting, with amendments,
6 Article - Insurance
7 Section 15-802(e)(2)
8 Annotated Code of Maryland
9 (1995 Volume and 1996 Supplement)
10 (As enacted by Chapter _____ (H.B. 11) of the Acts of the General Assembly of 1997)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That the Laws of Maryland read as follows:

13 **Article - Health - General**

14 19-703.1.

15 (b) (1) Subject to the provisions of this section, each contract or certificate
16 issued to a member or subscriber by a health maintenance organization that provides
17 health benefits and services for diseases may not discriminate against any person with a
18 mental illness, emotional disorder or a drug abuse or alcohol abuse disorder by failing to
19 provide benefits for treatment and diagnosis of these illnesses under the same terms and
20 conditions as provided for covered benefits offered under the contract or certificate for
21 the treatment of physical illness.

22 (c) (1) The benefits under this section shall be required only for expenses
23 arising for treatment of mental illnesses, emotional disorders, drug abuse and alcohol
24 abuse which in the professional judgment of practitioners is medically necessary and
25 treatable.

26 (2) The benefits required under this section shall be provided as one set of
27 benefits covering mental illnesses, emotional disorders, drug abuse and alcohol abuse.

28 (3) The benefits required under this section may be delivered under a
29 managed care system.

30 (4) Except as specifically provided in this section, benefits for illnesses
31 covered by this section and the benefits for physical illnesses covered under a contract or
32 certificate shall have the same terms and conditions.

33 (5) THE BENEFITS REQUIRED UNDER THIS SECTION MAY NOT BE
34 SUBJECT, FOR PURPOSES OF A COVERED INDIVIDUAL GETTING A REFERRAL FOR
35 CONSULTATION OR SPECIALTY SERVICES, TO A REQUIREMENT THAT THE
36 INDIVIDUAL SEE OR OBTAIN THE APPROVAL OF A PROVIDER IN ADDITION TO THE
37 INDIVIDUAL'S PRIMARY CARE PROVIDER, UNLESS BENEFITS FOR PHYSICAL
38 ILLNESSES COVERED UNDER THE CONTRACT OR CERTIFICATE SUBJECT TO THIS
39 SECTION ARE SUBJECT TO THE SAME REQUIREMENT.

1 [(5)] (6) Except for the coinsurance provisions in subsection (b)(2)(iii) of
2 this section, a contract or certificate that is subject to this section may not have:

3 (i) Separate lifetime maximums for physical illnesses and illnesses
4 covered under this section;

5 (ii) Separate deductibles and coinsurance amounts for physical
6 illnesses and illnesses covered under this section; or

7 (iii) Separate out-of-pocket limits in a benefit period of not more than
8 12 months for physical illnesses and illnesses covered under this section.

9 [(6)] (7) Any copayments required under a contract or certificate for
10 benefits for illnesses covered under this section shall be:

11 (i) Actuarially equivalent to any coinsurance requirements under this
12 section; or

13 (ii) Where there are no coinsurance requirements, not greater than a
14 copayment required for a benefit under the contract or a certificate for a physical illness.

15 **Article - Insurance**

16 15-802.

17 (b) This section applies to each health insurance policy or contract that is
18 delivered or issued for delivery in the State to an employer or individual on a group or
19 individual basis and that provides coverage on an expense-incurred basis.

20 (c) A policy or contract subject to this section may not discriminate against an
21 individual with a mental illness, emotional disorder, drug abuse disorder, or alcohol abuse
22 disorder by failing to provide benefits for the diagnosis and treatment of these illnesses
23 under the same terms and conditions that apply under the policy or contract for the
24 diagnosis and treatment of physical illnesses.

25 (e) (1) The benefits under this section are required only for expenses arising
26 from the treatment of mental illnesses, emotional disorders, drug abuse, or alcohol abuse
27 if, in the professional judgment of health care providers:

28 (i) the mental illness, emotional disorder, drug abuse, or alcohol
29 abuse is treatable; and

30 (ii) the treatment is medically necessary.

31 (2) The benefits required under this section:

32 (i) shall be provided as one set of benefits covering mental illnesses,
33 emotional disorders, drug abuse, and alcohol abuse;

34 (ii) shall have the same terms and conditions as the benefits for
35 physical illnesses covered under the policy or contract subject to this section, except as
36 specifically provided in this section; [and]

37 (III) MAY NOT BE SUBJECT, FOR PURPOSES OF A COVERED
38 INDIVIDUAL GETTING A REFERRAL FOR CONSULTATION OR SPECIALTY SERVICES,

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1 TO A REQUIREMENT THAT THE INDIVIDUAL SEE OR OBTAIN THE APPROVAL OF A
2 HEALTH CARE PROVIDER ~~OTHER THAN~~ IN ADDITION TO THE INDIVIDUAL'S
3 PRIMARY CARE PROVIDER, UNLESS BENEFITS FOR PHYSICAL ILLNESSES COVERED
4 UNDER THE POLICY OR CONTRACT SUBJECT TO THIS SECTION ARE SUBJECT TO THE
5 SAME REQUIREMENT; AND

6 [(iii)] (IV) may be delivered under a managed care system.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 October 1, 1997.