
By: **Delegates Rosenberg, Love, Goldwater, McHale, Pendergrass, Eckardt,
and Krysiak**

Introduced and read first time: February 8, 2002

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 21, 2002

CHAPTER _____

1 AN ACT concerning

2 **Health Insurance - Mental Illness - Coverage for Residential Crisis Services**

3 FOR the purpose of requiring certain insurers, nonprofit health service plans, and
4 health maintenance organizations to provide coverage for medically necessary
5 residential crisis services ~~for an insured or enrollee with a mental illness under~~
6 ~~certain circumstances; providing that certain services may be delivered under a~~
7 managed care system; defining a certain term; providing for the application of
8 this Act; and generally relating to coverage for residential crisis services under
9 health insurance.

10 BY adding to

11 Article - Insurance

12 Section 15-840

13 Annotated Code of Maryland

14 (1997 Volume and 2001 Supplement)

15 BY adding to

16 Article - Health - General

17 Section 19-706(w)

18 Annotated Code of Maryland

19 (2000 Replacement Volume and 2001 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

21 MARYLAND, That the Laws of Maryland read as follows:

1

Article - Insurance

2 15-840.

3 (A) IN THIS SECTION, "RESIDENTIAL CRISIS SERVICES" MEANS INTENSIVE
4 MENTAL HEALTH AND SUPPORT SERVICES THAT ARE:

5 (1) PROVIDED TO A CHILD OR AN ADULT WITH A MENTAL ILLNESS WHO
6 IS EXPERIENCING OR IS AT RISK OF A PSYCHIATRIC CRISIS THAT WOULD IMPAIR THE
7 INDIVIDUAL'S ABILITY TO FUNCTION IN THE COMMUNITY;

8 (2) DESIGNED TO PREVENT A PSYCHIATRIC INPATIENT ADMISSION,
9 PROVIDE AN ALTERNATIVE TO PSYCHIATRIC INPATIENT ADMISSION, OR SHORTEN
10 THE LENGTH OF INPATIENT STAY; ~~AND~~

11 (3) PROVIDED OUT OF THE INDIVIDUAL'S RESIDENCE ON A
12 SHORT-TERM BASIS IN A COMMUNITY-BASED RESIDENTIAL SETTING; AND

13 (4) PROVIDED BY ENTITIES THAT ARE LICENSED BY THE DEPARTMENT
14 OF HEALTH AND MENTAL HYGIENE TO PROVIDE RESIDENTIAL CRISIS SERVICES.

15 (B) THIS SECTION APPLIES TO:

16 (1) INSURERS AND NONPROFIT HEALTH SERVICE PLANS THAT PROVIDE
17 HOSPITAL, MEDICAL, OR SURGICAL BENEFITS TO INDIVIDUALS OR GROUPS ON AN
18 EXPENSE-INCURRED BASIS UNDER HEALTH INSURANCE POLICIES OR CONTRACTS
19 THAT ARE ISSUED OR DELIVERED IN THE STATE; AND

20 (2) HEALTH MAINTENANCE ORGANIZATIONS THAT PROVIDE HOSPITAL,
21 MEDICAL, OR SURGICAL BENEFITS TO INDIVIDUALS OR GROUPS UNDER CONTRACTS
22 THAT ARE ISSUED OR DELIVERED IN THE STATE.

23 (C) (1) AN ENTITY SUBJECT TO THIS SECTION SHALL PROVIDE COVERAGE
24 FOR MEDICALLY NECESSARY RESIDENTIAL CRISIS SERVICES.

25 (2) THE SERVICES REQUIRED UNDER THIS SECTION MAY BE DELIVERED
26 UNDER A MANAGED CARE SYSTEM.

27 ~~(C) AN ENTITY SUBJECT TO THIS SECTION SHALL PROVIDE COVERAGE FOR~~
28 ~~RESIDENTIAL CRISIS SERVICES FOR AN INSURED OR AN ENROLLEE WITH A MENTAL~~
29 ~~ILLNESS IF, IN THE JUDGMENT OF THE INSURED'S OR ENROLLEE'S TREATING~~
30 ~~PHYSICIAN OR AN APPROPRIATELY LICENSED HEALTH CARE PROFESSIONAL, THE~~
31 ~~RESIDENTIAL CRISIS SERVICES ARE MEDICALLY NECESSARY.~~

32

Article - Health - General

33 19-706.

34 (WW) THE PROVISIONS OF § 15-840 OF THE INSURANCE ARTICLE APPLY TO
35 HEALTH MAINTENANCE ORGANIZATIONS.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all
2 policies, contracts, and health benefit plans issued, delivered, or renewed in the State
3 on or after October 1, 2002.

4 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
5 October 1, 2002.