
By: **Senator Dorman**

Introduced and read first time: February 1, 2002

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Health Maintenance Organizations - Mental Health Care Services**

3 FOR the purpose of requiring managed care services for mental health and physical
4 illnesses to have the same process for patient referral for consultation or
5 specialty services that does not require certain approval, unless the approval is
6 required for referrals for physical illnesses; and generally relating to managed
7 care mental health services.

8 BY repealing and reenacting, without amendments,
9 Article - Health - General
10 Section 19-703.1(a) and (b)
11 Annotated Code of Maryland
12 (2000 Replacement Volume and 2001 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article - Health - General
15 Section 19-703.1(c)
16 Annotated Code of Maryland
17 (2000 Replacement Volume and 2001 Supplement)

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

20 **Article - Health - General**

21 19-703.1.

- 22 (a) (1) In this section the following terms have the meanings indicated.
23 (2) "Alcohol abuse" has the meaning stated in § 8-101 of this article.
24 (3) "Drug abuse" has the meaning stated in § 8-101 of this article.
25 (4) "Managed care system" means a method that a carrier uses to review
26 and preauthorize a treatment plan that a health care practitioner develops for a

1 covered person using a variety of cost containment methods to control utilization,
2 quality, and claims.

3 (5) "Partial hospitalization" means the provision of medically directed
4 intensive or intermediate short-term treatment for mental illness, emotional
5 disorders, drug abuse or alcohol abuse for a period of less than 24 hours but more
6 than 4 hours in a day for a member or subscriber in a licensed or certified facility or
7 program.

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

15 (2) It shall not be considered to be discriminatory under paragraph (1) of
16 this subsection if at least the following benefits are provided:

17 (i) With respect to inpatient benefits provided in a licensed or
18 certified facility, which shall include hospital inpatient benefits, the total number of
19 days for which benefits are payable shall be:

20 1. Except as provided in subsection (d) of this section, from
21 July 1, 1994 through June 30, 1995, at least 60 days in any calendar year or benefit
22 period of not more than 12 months under the same terms and conditions that apply to
23 benefits available under the contract or certificate for physical illness; and

24 2. On or after July 1, 1995, at least equal to the same terms
25 and conditions that apply to the benefits available under the contract or certificate for
26 physical illness;

27 (ii) Subject to subsection (f) of this section, with respect to benefits
28 for partial hospitalization, at least 60 days of partial hospitalization shall be covered
29 under the same terms and conditions that apply to the benefit available under the
30 contract or certificate for physical illness; and

31 (iii) With respect to outpatient coverage, other than for inpatient or
32 partial hospitalization services, benefits for covered expenses arising from services
33 which are rendered to treat mental illness, emotional disorders, drug abuse and
34 alcohol abuse shall be at a rate which is, after the applicable deductible, not less than:

35 1. 80 percent for the first 5 visits in any calendar year or
36 benefit period of not more than 12 months;

37 2. 65 percent for the 6th through 30th visit in any calendar
38 year or benefit period of not more than 12 months; and

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2002.