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2002 Regular Session 2lr2406

D. C. . . D.

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 "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

	covered person using a variety of cost containment methods to control utilization, quality, and claims.
5 6	(5) "Partial hospitalization" means the provision of medically directed intensive or intermediate short-term treatment for mental illness, emotional disorders, drug abuse or alcohol abuse for a period of less than 24 hours but more than 4 hours in a day for a member or subscriber in a licensed or certified facility or program.
10 11 12 13	(b) (1) Subject to the provisions of this section, each contract or certificate issued to a member or subscriber by a health maintenance organization that provides health benefits and services for diseases may not discriminate against any person with a mental illness, emotional disorder or a drug abuse or alcohol abuse disorder by failing to provide benefits for treatment and diagnosis of these illnesses under the same terms and conditions as provided for covered benefits offered under the contract or certificate for the treatment of physical illness.
15 16	(2) It shall not be considered to be discriminatory under paragraph (1) of this subsection if at least the following benefits are provided:
	(i) With respect to inpatient benefits provided in a licensed or certified facility, which shall include hospital inpatient benefits, the total number of days for which benefits are payable shall be:
22	1. Except as provided in subsection (d) of this section, from July 1, 1994 through June 30, 1995, at least 60 days in any calendar year or benefit period of not more than 12 months under the same terms and conditions that apply to benefits available under the contract or certificate for physical illness; and
	2. On or after July 1, 1995, at least equal to the same terms and conditions that apply to the benefits available under the contract or certificate for physical illness;
29	(ii) Subject to subsection (f) of this section, with respect to benefits for partial hospitalization, at least 60 days of partial hospitalization shall be covered under the same terms and conditions that apply to the benefit available under the contract or certificate for physical illness; and
33	(iii) With respect to outpatient coverage, other than for inpatient or partial hospitalization services, benefits for covered expenses arising from services which are rendered to treat mental illness, emotional disorders, drug abuse and alcohol abuse shall be at a rate which is, after the applicable deductible, not less than:
35 36	1. 80 percent for the first 5 visits in any calendar year or benefit period of not more than 12 months;
37 38	2. 65 percent for the 6th through 30th visit in any calendar year or benefit period of not more than 12 months; and

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1 2	3. 50 percent for the 31st visit and any visit after the 31st visit in any calendar year or benefit period of not more than 12 months.
5	(c) (1) The benefits under this section shall be required only for expenses arising for treatment of mental illnesses, emotional disorders, drug abuse and alcohol abuse which in the professional judgment of practitioners is medically necessary and creatable.
	(2) The benefits required under this section shall be provided as one set of benefits covering mental illnesses, emotional disorders, drug abuse and alcohol abuse.
10 11	(3) The benefits required under this section may be delivered under a managed care system.
	(4) Except as specifically provided in this section, benefits for illnesses covered by this section and the benefits for physical illnesses covered under a contract or certificate shall:
15	(I) [have] HAVE the same terms and conditions; AND
18 19 20	(II) HAVE THE SAME PATIENT REFERRAL PROCESS FOR CONSULTATION OR SPECIALTY SERVICES THAT DO NOT LIMIT ACCESS TO SERVICES BY REQUIRING THE PATIENT TO SEE OR OBTAIN THE APPROVAL OF A PROVIDER OTHER THAN THE PATIENT'S PRIMARY CARE PROVIDER BEFORE RECEIVING SERVICES, UNLESS THAT REQUIREMENT IS ALSO PRESENT FOR REFERRAL FOR CONSULTATION OR SPECIALTY SERVICES FOR PHYSICAL ILLNESS.
22 23	(5) Except for the coinsurance provisions in subsection (b)(2)(iii) of this section, a contract or certificate that is subject to this section may not have:
24 25	(i) Separate lifetime maximums for physical illnesses and illnesses covered under this section;
26 27	(ii) Separate deductibles and coinsurance amounts for physical illnesses and illnesses covered under this section; or
28 29	(iii) Separate out-of-pocket limits in a benefit period of not more than 12 months for physical illnesses and illnesses covered under this section.
30 31	(6) Any copayments required under a contract or certificate for benefits for illnesses covered under this section shall be:
32 33	(i) Actuarially equivalent to any coinsurance requirements under this section; or
	(ii) Where there are no coinsurance requirements, not greater than a copayment required for a benefit under the contract or a certificate for a physical illness.

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