

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE
Revised

House Bill 1025
Economic Matters

(Delegate Sher, *et al.*)

Finance

**Health Insurance - Task Force on Access to Mental Health Treatment for
Privately Insured Individuals**

This bill creates a 13-member Task Force on Access to Mental Health Treatment for Privately Insured Individuals. The task force must study and make recommendations regarding: (1) the differences in the coverage of mental health services among the public mental health system, commercial health insurers, and commercial HMOs; (2) the structure and effectiveness of the mental health care delivery system in the State; and (3) compliance by commercial health insurers and HMOs with the mental health parity requirements. The task force must report its findings and recommendations to the Governor and General Assembly by December 1, 2003.

The bill takes effect July 1, 2002 and terminates December 31, 2003.

Fiscal Summary

State Effect: Any expense reimbursements for task force members and staffing costs are assumed to be minimal and absorbable within the existing budgeted resources of the entities represented on the task force. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Maryland's mental health mandate requires insurers, nonprofit health services plans, and HMOs to provide coverage on the same terms as physical illness. Mental health benefits may be provided through a carrier's managed care system. Carriers subject to State regulation must include a minimum of 60 days partial hospitalization for mental illness under the same terms and conditions that apply to the benefits available under the contract for physical illnesses. For outpatient services, carriers must provide coverage for mental illnesses, emotional disorders, drug or alcohol abuse at a rate (after deductibles) that is not less than:

- 80% coverage for the first 5 visits in one calendar year;
- 65% coverage of 6-30 visits; and
- 50% coverage for visits beyond 30.

The illness must be treatable and the treatment must be medically necessary.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene, Maryland Insurance Administration, Department of Budget and Management (Employee Benefits Division), Department of Legislative Services

Fiscal Note History: First Reader - March 3, 2002
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