
By: **Senator Lawlah**

Introduced and read first time: February 4, 2005

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance - Substance Abuse Treatment - Copayments**

3 FOR the purpose of prohibiting an insurer, nonprofit health service plan, or health
4 maintenance organization from charging a copayment that is greater than a
5 certain amount for a certain substance abuse treatment; providing for the
6 application of this Act; making this Act an emergency measure; and generally
7 relating to health insurance copayments for substance abuse treatment.

8 BY repealing and reenacting, without amendments,
9 Article - Health - General
10 Section 19-703.1(b)
11 Annotated Code of Maryland
12 (2000 Replacement Volume and 2004 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 2004 Supplement)

18 BY repealing and reenacting, without amendments,
19 Article - Insurance
20 Section 15-802(c) and (d)
21 Annotated Code of Maryland
22 (2002 Replacement Volume and 2004 Supplement)

23 BY repealing and reenacting, with amendments,
24 Article - Insurance
25 Section 15-802(e)
26 Annotated Code of Maryland
27 (2002 Replacement Volume and 2004 Supplement)

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

3 **Article - Health - General**

4 19-703.1.

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

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

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

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

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

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

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

32 1. 80 percent for the first 5 visits in any calendar year or
33 benefit period of not more than 12 months;

34 2. 65 percent for the 6th through 30th visit in any calendar
35 year or benefit period of not more than 12 months; and

36 3. 50 percent for the 31st visit and any visit after the 31st
37 visit in any calendar year or benefit period of not more than 12 months.

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

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

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

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

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

15 (i) Separate lifetime maximums for physical illnesses and illnesses
 16 covered under this section;

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

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

21 (6) (I) [Any] SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH,
 22 ANY copayments required under a contract or certificate for benefits for illnesses
 23 covered under this section shall be:

24 [(i)] 1. Actuarially equivalent to any coinsurance requirements
 25 under this section; or

26 [(ii)] 2. Where there are no coinsurance requirements, not greater
 27 than a copayment required for a benefit under the contract or a certificate for a
 28 physical illness.

29 (II) A HEALTH MAINTENANCE ORGANIZATION MAY NOT CHARGE A
 30 COPAYMENT THAT IS GREATER THAN 50% OF THE DAILY COST FOR METHADONE
 31 MAINTENANCE TREATMENT.

32 **Article - Insurance**

33 15-802.

34 (c) A policy or contract subject to this section may not discriminate against an
 35 individual with a mental illness, emotional disorder, drug abuse disorder, or alcohol
 36 abuse disorder by failing to provide benefits for the diagnosis and treatment of these

1 illnesses under the same terms and conditions that apply under the policy or contract
2 for the diagnosis and treatment of physical illnesses.

3 (d) It is not discriminatory under subsection (c) of this section if at least the
4 following benefits are provided:

5 (1) with respect to inpatient benefits for services provided in a licensed
6 or certified facility, including hospital inpatient benefits, the total number of days for
7 which benefits are payable and the terms and conditions that apply to those benefits
8 are at least equal to those that apply to the benefits available under the policy or
9 contract for physical illnesses;

10 (2) subject to subsection (g) of this section, with respect to benefits for
11 partial hospitalization, at least 60 days of partial hospitalization are covered under
12 the same terms and conditions that apply to the benefits available under the policy or
13 contract for physical illnesses; and

14 (3) with respect to outpatient coverage, other than for inpatient or
15 partial hospitalization services, benefits for covered expenses arising from services
16 provided to treat mental illnesses, emotional disorders, drug abuse, or alcohol abuse
17 are at a rate that, after the applicable deductible, is not less than:

18 (i) 80% for the first five visits in a calendar year or benefit period
19 of not more than 12 months;

20 (ii) 65% for the 6th through 30th visit in a calendar year or benefit
21 period of not more than 12 months; and

22 (iii) 50% for the 31st visit and any subsequent visit in a calendar
23 year or benefit period of not more than 12 months.

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

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

29 (ii) the treatment is medically necessary.

30 (2) The benefits required under this section:

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

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

36 (iii) may be delivered under a managed care system.

1 (3) Except for the coinsurance requirements under subsection (d)(3) of
2 this section, a policy or contract 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
8 than 12 months for physical illnesses and illnesses covered under this section.

9 (4) (I) [Any] Subject to subparagraph (ii) of this paragraph, ANY
10 copayments required under a policy or contract subject to this section for benefits for
11 illnesses covered under this section shall be:

12 [(i)] 1. actuarially equivalent to any coinsurance requirements
13 under this section; or

14 [(ii)] 2. if there are no coinsurance requirements, not greater than
15 any copayment required under the policy or contract for a benefit for a physical
16 illness.

17 (II) AN INSURER OR NONPROFIT HEALTH SERVICE PLAN MAY NOT
18 CHARGE A COPAYMENT THAT IS GREATER THAN 50% OF THE DAILY COST FOR
19 METHADONE MAINTENANCE TREATMENT.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply only
21 to health insurance policies, contracts, and certificates that are delivered, issued for
22 delivery, or renewed in the State on or after the effective date of this Act.

23 SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergency
24 measure, is necessary for the immediate preservation of the public health or safety,
25 has been passed by a ye and nay vote supported by three-fifths of all the members
26 elected to each of the two Houses of the General Assembly, and shall take effect from
27 the date it is enacted.