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By: **Senator Lawlah**

Introduced and read first time: February 4, 2005

Assigned to: Finance

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Committee Report: Favorable

Senate action: Adopted

Read second time: March 23, 2005

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CHAPTER\_\_\_\_\_

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)

1 BY repealing and reenacting, with amendments,  
2 Article - Insurance  
3 Section 15-802(e)  
4 Annotated Code of Maryland  
5 (2002 Replacement Volume and 2004 Supplement)

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

8 **Article - Health - General**

9 19-703.1.

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

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

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

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

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

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

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

37 1. 80 percent for the first 5 visits in any calendar year or  
38 benefit period of not more than 12 months;



**Article - Insurance**

15-802.

(c) A policy or contract subject to this section may not discriminate against an individual with a mental illness, emotional disorder, drug abuse disorder, or alcohol abuse disorder by failing to provide benefits for the diagnosis and treatment of these illnesses under the same terms and conditions that apply under the policy or contract for the diagnosis and treatment of physical illnesses.

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

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

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

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

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

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

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

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

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

(ii) the treatment is medically necessary.

(2) The benefits required under this section:

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

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

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

7 (3) Except for the coinsurance requirements under subsection (d)(3) of  
8 this section, a policy or contract subject to this section may not have:

9 (i) separate lifetime maximums for physical illnesses and illnesses  
10 covered under this section;

11 (ii) separate deductibles and coinsurance amounts for physical  
12 illnesses and illnesses covered under this section; or

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

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

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

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

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

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

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

