

# HOUSE BILL 1468

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By: **Delegate Morhaim**

Introduced and read first time: February 15, 2008

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Health Insurance – Outpatient Mental Health Treatment – Elimination of**  
3 **Tiered Copayments**

4 FOR the purpose of repealing certain minimum rates, and the applicability of certain  
5 minimum rates, at which certain health insurance policies, contracts, and  
6 certificates must provide certain benefits, with respect to certain outpatient  
7 coverage, for certain covered expenses arising from certain services provided to  
8 treat mental illnesses, emotional disorders, drug abuse disorders, and alcohol  
9 abuse disorders; requiring certain health insurance policies, contracts, and  
10 certificates to provide certain benefits at a certain minimum rate, with respect  
11 to certain outpatient coverage, for certain covered expenses arising from certain  
12 services provided to treat mental illnesses, emotional disorders, drug abuse  
13 disorders, and alcohol abuse disorders; providing for the application of this Act;  
14 and generally relating to benefits for treatment of mental illnesses, emotional  
15 disorders, drug abuse disorders, or alcohol abuse disorders under health  
16 insurance.

17 BY repealing and reenacting, with amendments,  
18 Article – Health – General  
19 Section 19–703.1(b)  
20 Annotated Code of Maryland  
21 (2005 Replacement Volume and 2007 Supplement)

22 BY repealing and reenacting, without amendments,  
23 Article – Insurance  
24 Section 15–802(b) and (c)  
25 Annotated Code of Maryland  
26 (2006 Replacement Volume and 2007 Supplement)

27 BY repealing and reenacting, with amendments,  
28 Article – Insurance

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 15-802(d)  
2 Annotated Code of Maryland  
3 (2006 Replacement Volume and 2007 Supplement)

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

6 **Article - Health - General**

7 19-703.1.

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 with  
11 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)  
16 of 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,  
21 from July 1, 1994 through June 30, 1995, at least 60 days in any calendar year or  
22 benefit period of not more than 12 months under the same terms and conditions that  
23 apply to 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  
25 terms and conditions that apply to the benefits available under the contract or  
26 certificate for physical illness;

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

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

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

3                   2. 65 percent for the 6th through 30th visit in any  
4 calendar year or benefit period of not more than 12 months; and

5                   3. 50 percent for the 31st visit and any visit after the  
6 31st visit in any calendar year or benefit period of not more than 12 months].

7   **Article – Insurance**

8 15–802.

9           (b) This section applies to each health insurance policy or contract that is  
10 delivered or issued for delivery in the State to an employer or individual on a group or  
11 individual basis and that provides coverage on an expense–incurred basis.

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

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

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

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

28                   (3) with respect to outpatient coverage, other than for inpatient or  
29 partial hospitalization services, benefits for covered expenses arising from services,  
30 including psychological and neuropsychological testing for diagnostic purposes,  
31 provided to treat mental illnesses, emotional disorders, drug abuse, or alcohol abuse  
32 are at a rate that, after the applicable deductible, is not less than[:

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

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

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

5           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to all  
6 health insurance policies, contracts, and certificates issued, delivered, or renewed in  
7 the State on or after October 1, 2008.

8           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 October 1, 2008.