

HB 801 INTRODUCED BY HANSEN, S., ET AL.
GENERALLY REVISE GROUP COVERAGE FOR MENTAL ILLNESS,
ALCOHOL, DRUG ADDICTION

2/17 INTRODUCED
2/17 REFERRED TO BUSINESS & LABOR
2/19 HEARING
2/19 TABLED IN COMMITTEE

1 *House* BILL NO. *801*
 2 INTRODUCED BY *Steve J. Keenan*
 3 *J. Brown*

4 A BILL FOR AN ACT ENTITLED: "AN ACT EXTENDING THE SCOPE OF
 5 MANDATED BENEFITS OF GROUP COVERAGE FOR MENTAL ILLNESS,
 6 ALCOHOLISM, AND DRUG ADDICTION TO EMPLOYER PLANS; UPDATING
 7 DEFINITIONS OF "MENTAL ILLNESS" AND "MENTAL HEALTH TREATMENT
 8 CENTER"; PROVIDING THAT THE OUTPATIENT BENEFITS COPAYMENT
 9 FACTOR IS NOT MORE THAN THAT FOR PHYSICAL ILLNESS GENERALLY
 10 AND THAT THE MAXIMUM OUTPATIENT BENEFIT IS NOT LESS THAN
 11 THAT FOR PHYSICAL ILLNESS GENERALLY; AMENDING SECTIONS
 12 33-22-701 THROUGH 33-22-703, MCA; AND PROVIDING AN
 13 APPLICABILITY DATE."

14
 15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

16 Section 1. Section 33-22-701, MCA, is amended to read:

17 "33-22-701. Scope of part -- purpose. The provisions
 18 of this part apply to all group policies of accident and
 19 health insurance and group subscriber contracts offered in
 20 Montana by insurers, and health service corporations, and
 21 employers for the care and treatment of mental illness,
 22 alcoholism, and drug addiction. It is the purpose of this
 23 part to preserve the rights of the consumer to have such
 24 coverage according to his medical and economic needs."

25 Section 2. Section 33-22-702, MCA, is amended to read:

1 "33-22-702. Definitions. For purposes of this part,
 2 the following definitions apply:

3 (1) "Inpatient hospital benefits" means benefits
 4 payable for charges made by a hospital or freestanding
 5 inpatient facility, as defined in the policy or contract,
 6 for the necessary care and treatment of mental illness,
 7 alcoholism, or drug addiction furnished to a covered person
 8 while confined as an inpatient and, with respect to major
 9 medical policies or contracts, also includes those benefits
 10 payable for charges made by a physician, as defined in the
 11 policy or contract, for the necessary care and treatment of
 12 mental illness, alcoholism, or drug addiction furnished to a
 13 covered person while confined as a hospital inpatient.

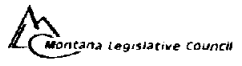
14 (2) "Outpatient benefits" means benefits payable for:

15 (a) reasonable charges made by a hospital for the
 16 necessary care and treatment of mental illness, alcoholism,
 17 or drug addiction furnished to a covered person while not
 18 confined as a hospital inpatient;

19 (b) reasonable charges for services rendered or drugs
 20 prescribed by a physician for the necessary care and
 21 treatment for mental illness, alcoholism, or drug addiction
 22 furnished to a covered person while not confined as a
 23 hospital inpatient;

24 (c) reasonable charges made by a mental health,
 25 alcoholism, or drug addiction treatment center for the

-2- INTRODUCED BILL
 HB-801



1 necessary care and treatment of a covered person provided in
2 the treatment center; and

3 (d) reasonable charges for services rendered by a
4 licensed psychiatrist, psychologist, or social worker.

5 (3) "Alcoholism treatment center" and "drug addiction
6 treatment center" mean a treatment facility which provides a
7 program for the treatment of alcoholism or drug addiction
8 pursuant to a written treatment plan approved and monitored
9 by a physician or chemical dependency counselor certified by
10 the state, and which facility is also:

11 (a) affiliated with a hospital under a contractual
12 agreement with an established system for patient referral;
13 or

14 (b) licensed or approved as an alcoholism or drug
15 addiction treatment center by the alcohol authority of the
16 state.

17 (4) "Mental health treatment center" means a ~~treatment~~
18 ~~facility-organized-to-provide-care-and-treatment-for--mental~~
19 ~~illness--through--multiple-modalities-or-techniques-pursuant~~
20 ~~to-a-written-treatment-plan-approved--and--monitored--by--an~~
21 ~~interdisciplinary--team,--including--a--licensed--physician,~~
22 ~~psychiatric--social--worker,--and--psychologist,~~ community
23 comprehensive mental health center as defined in 53-21-201
24 and which facility is also:

25 (a) licensed as a mental health treatment center by

1 the state;

2 (b) funded or eligible for funding under federal or
3 state law; or

4 (c) affiliated with a hospital under a contractual
5 agreement with an established system for patient referral.

6 (5) "Mental illness" means: neurosis,--psychoneurosis,
7 psychopathy,--psychosis,--or--personality-disorder;

8 (a) an adjustment disorder;

9 (b) an affective disorder;

10 (c) an anxiety disorder;

11 (d) a disorder of impulse control not classified
12 elsewhere;

13 (e) a mental disorder usually first evident in
14 infancy, childhood, or adolescence;

15 (f) a dissociative disorder or hysterical neurosis of
16 the dissociative type;

17 (g) a factitious disorder;

18 (h) an organic mental disorder;

19 (i) a paranoid disorder;

20 (j) a psychological factor affecting the physical
21 condition;

22 (k) a psychosexual disorder;

23 (l) a psychotic disorder not classified elsewhere;

24 (m) a schizophrenic disorder;

25 (n) a somatoform disorder; or

1 (o) a substance abuse disorder."

2 Section 3. Section 33-22-703, MCA, is amended to read:

3 "33-22-703. Coverage for mental illness, alcoholism,
4 and drug addiction. Insurers, and health service
5 corporations, and employers transacting group health
6 insurance or group health plans in this state shall provide,
7 under hospital and medical expenses incurred insurance group
8 policies and under hospital and medical service plan group
9 contracts, the level of benefits specified in this section
10 for the necessary care and treatment of mental illness,
11 alcoholism, and drug addiction subject to the right of the
12 applicant to select any alternative level of benefits above
13 the minimum level of benefits described in subsections
14 (1)(b), (2)(a), (2)(b), and (2)(d) as may be offered by the
15 insurer, or service plan corporation, or employer:

16 (1) under basic inpatient expense policies or
17 contracts, inpatient hospital benefits consisting of
18 durational limits, dollar limits, deductibles, and
19 coinsurance copayment factors that are not less favorable
20 than for physical illness generally, except that:

21 (a) benefits may be limited to not less than 30
22 calendar days per year as defined in the policy or contract;

23 (b) the aggregate maximum benefit for alcoholism and
24 drug addiction of inpatient expenses under basic inpatient
25 policies and contracts plus inpatient expenses under major

1 medical policies and contracts may be limited to no less
2 than:

3 (i) \$4,000 in any 24-month period; and

4 (ii) \$8,000 in lifetime benefits;

5 (2) under major medical policies or contracts,
6 inpatient benefits and outpatient benefits consisting of
7 durational limits, dollar limits, deductibles, and
8 coinsurance copayment factors that are not less favorable
9 than for physical illness generally, except that:

10 (a) inpatient benefits may be limited to no less than
11 30 calendar days per year as defined in the policy or
12 contract. If inpatient benefits are provided beyond 30
13 calendar days per year, the durational limits, dollar
14 limits, deductibles, and coinsurance copayment factors
15 applicable thereto need not be the same as applicable to
16 physical illness generally.

17 (b) for outpatient benefits, the coinsurance copayment
18 factor may not ~~exceed 50% or be more than~~ the coinsurance
19 copayment factor applicable for physical illness generally,
20 ~~whichever is greater~~, and the maximum benefit for mental
21 illness, alcoholism, and drug addiction in the aggregate
22 during any applicable benefit period may ~~not~~ be limited--to
23 not less favorable than \$7,000 for physical illness
24 generally;

25 (c) maximum lifetime benefits shall, for mental

1 illness in the aggregate, be no less than those applicable
2 to physical illness generally;

3 (d) the aggregate maximum benefit for alcoholism and
4 drug addiction of inpatient expenses under basic inpatient
5 policies and contracts plus inpatient expenses under major
6 medical policies and contracts may be limited to no less
7 than:

8 (i) \$4,000 in any 24-month period; and

9 (ii) \$8,000 in lifetime benefits."

10 NEW SECTION. Section 4. Extension of authority. Any
11 existing authority of the commissioner of insurance to make
12 rules on the subject of the provisions of this act is
13 extended to the provisions of this act.

14 NEW SECTION. Section 5. Applicability. This act
15 applies to policies issued and contracts made after the
16 effective date of this act.

-End-