

SENATE BILL 182

Introduced by Keating, et al.

1/18	Introduced
1/18	Referred to Public Health, Welfare & Safety
1/19	Fiscal Note Requested
1/23	Hearing
1/26	Fiscal Note Received
1/28	Fiscal Note Printed
2/08	Committee Report--Bill Passed as Amended
2/10	2nd Reading Passed
2/13	3rd Reading Passed

Transmitted to House

2/21	Referred to Business & Economic Development
3/06	Hearing
3/10	Committee Report--Bill Concurred as Amended
3/13	2nd Reading Concur Motion Failed

Returned to Senate

Returned to House at Their Request

3/14	Reconsidered Previous Action
3/14	Rereferred to Business & Economic Development
3/20	Committee Report--Bill Concurred as Amended
3/28	2nd Reading Concur Motion Failed

Connelly

1 *Sen. Spradley* BILL NO. *182*
 2 INTRODUCED BY *Sen. Spradley* *Sen. Hager* *Sen. Lohr*
Sen. St. Germain *Sen. St. Germain* *Sen. Mercer* *Sen. Rasmussen*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT REDEFINING "MENTAL
 5 ILLNESS"; INCREASING THE MAXIMUM BENEFITS FOR MENTAL
 6 ILLNESS, ALCOHOLISM, AND DRUG ADDICTION IN DISABILITY
 7 INSURANCE POLICIES TO EQUAL THOSE FOR PHYSICAL ILLNESS;
 8 AMENDING SECTIONS 33-22-702 AND 33-22-703, MCA; AND
 9 PROVIDING AN APPLICABILITY DATE."

10
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 **Section 1.** Section 33-22-702, MCA, is amended to read:

13 **"33-22-702. Definitions.** For purposes of this part,
 14 the following definitions apply:

15 (1) "Inpatient benefits" are as set forth in
 16 33-22-705.

17 (2) "Outpatient benefits" are as set forth in
 18 33-22-705.

19 (3) "Chemical dependency treatment center" means a
 20 treatment facility which:

21 (a) provides a program for the treatment of alcoholism
 22 or drug addiction pursuant to a written treatment plan
 23 approved and monitored by a physician or chemical dependency
 24 counselor certified by the state; and

25 (b) is licensed or approved as a treatment center by

1 the department of institutions under 53-24-208.

2 (4) "Mental health treatment center" means a treatment
 3 facility organized to provide care and treatment for mental
 4 illness through multiple modalities or techniques pursuant
 5 to a written treatment plan approved and monitored by an
 6 interdisciplinary team, including a licensed physician,
 7 psychiatric social worker, and psychologist, and which
 8 facility is also:

9 (a) licensed as a mental health treatment center by
 10 the state;

11 (b) funded or eligible for funding under federal or
 12 state law; or

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

15 (5) "Mental illness" means ~~neurosis;--psychoneurosis;~~
 16 ~~psychopathy;--psychosis;--or-personality-disorder~~ an organic,
 17 mental, or emotional impairment that has substantial adverse
 18 effects on an individual's cognitive or volitional
 19 functions."

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

21 **"33-22-703. Coverage for mental illness, alcoholism,**
 22 **and drug addiction.** Insurers, health service corporations,
 23 or any employees' health and welfare fund that provides
 24 accident and health insurance benefits to residents of this
 25 state under group health insurance or group health plans

1 shall provide, for Montana residents covered under hospital
 2 and medical expenses incurred insurance group policies and
 3 under hospital and medical service plan group contracts, the
 4 level of benefits specified in this section for the
 5 necessary care and treatment of mental illness, alcoholism,
 6 and drug addiction, subject to the right of the applicant to
 7 select any alternative level of benefits above the minimum
 8 level of benefits described in subsections (1)(b), (2)(a),
 9 (2)(b), and (2)(d) as may be offered by the insurer or
 10 health service corporation:

11 (1) under basic inpatient expense policies or
 12 contracts, inpatient hospital benefits consisting of
 13 durational limits, dollar limits, deductibles, and
 14 coinsurance factors that are not less favorable than for
 15 physical illness generally, except that:

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

18 (b) the aggregate maximum benefit for alcoholism and
 19 drug addiction of inpatient expenses under basic inpatient
 20 policies and contracts plus inpatient expenses under major
 21 medical policies and contracts may be limited to no less
 22 than:

23 (i) ~~\$4,000~~ \$6,000 in any 24-month period; and

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

25 (2) under major medical policies or contracts,

1 inpatient benefits and outpatient benefits consisting of
 2 durational limits, dollar limits, deductibles, and
 3 coinsurance factors that are not less favorable than for
 4 physical illness generally, except that:

5 (a) inpatient benefits may be limited to no less than
 6 30 calendar days per year as defined in the policy or
 7 contract. If inpatient benefits are provided beyond 30
 8 calendar days per year, the durational limits, dollar
 9 limits, deductibles, and coinsurance factors applicable
 10 thereto need not be the same as applicable to physical
 11 illness generally.

12 (b) for outpatient benefits, the coinsurance factor
 13 may not exceed ~~50%~~ 20% or the coinsurance factor applicable
 14 for physical illness generally, whichever is greater, and
 15 the maximum benefit for mental illness, alcoholism, and drug
 16 addiction in the aggregate during any applicable benefit
 17 period may be limited to not less than ~~\$1,000~~ \$2,000;

18 (c) maximum lifetime benefits shall, for mental
 19 illness in the aggregate, be no less than those applicable
 20 to physical illness generally;

21 (d) the aggregate maximum benefit for alcoholism and
 22 drug addiction of inpatient expenses under basic inpatient
 23 policies and contracts plus inpatient expenses under major
 24 medical policies and contracts may be limited to no less
 25 than:

1 (i) ~~\$4,000~~ \$6,000 in any 24-month period; and

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

3 NEW SECTION. **Section 3. Extension of authority.** Any
4 existing authority to make rules on the subject of the
5 provisions of [this act] is extended to the provisions of
6 [this act].

7 NEW SECTION. **Section 4. Saving clause.** [This act]
8 does not affect rights and duties that matured, penalties
9 that were incurred, or proceedings that were begun before
10 [the effective date of this act].

11 NEW SECTION. **Section 5. Applicability.** The provisions
12 of [this act] apply to disability insurance policies issued
13 or renewed on or after October 1, 1989.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB182, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An Act redefining "mental illness"; increasing the maximum benefits for mental illness, alcoholism, and drug addiction in disability insurance policies to equal those for physical illness; amending Sections 33-22-702 and 33-22-703, MCA; and providing an applicability date.

ASSUMPTIONS:

1. The State Employee Group Benefit Program is exempt from Title 33 MCA by 33-1-102(6) and 2-18-812(6), MCA.
2. The University System Insurance Benefits Program would be effected by this bill.
3. The number of claims submitted in the 1991 biennium for care covered in the bill will be the same as those submitted in FY88.
4. Health costs will increase by 15% each year.
5. Increasing the coverage from 50% to 80% of mental illness costs, will increase claims by 1.7%.

FISCAL IMPACT:

	Current	FY90		Current	FY91	
	Law	Proposed		Law	Proposed	
<u>Expenditures:</u>		<u>Law</u>	<u>Difference</u>		<u>Law</u>	<u>Difference</u>
Benefits & Claims	\$ -0-	\$101,184	\$101,184	\$ -0-	\$116,361	\$116,361

Ray Shackelford 1/25/89
 RAY SHACKLEFORD, BUDGET DIRECTOR DATE
 OFFICE OF BUDGET AND PROGRAM PLANNING

THOMAS F. KEATING, PRIMARY SPONSOR DATE

Fiscal Note for SB182, as introduced

SB 182

APPROVED BY COMMITTEE
ON PUBLIC HEALTH, WELFARE
& SAFETY

SENATE BILL NO. 182

INTRODUCED BY KEATING, ADDY, HAGER, SCHYE, LYNCH, GOOD,
CONNELLY, SIMON, TVEIT, ABRAMS, HANSEN, MERCER, RASMUSSEN

A BILL FOR AN ACT ENTITLED: "AN ACT REDEFINING "MENTAL
ILLNESS"; INCREASING THE MAXIMUM BENEFITS FOR MENTAL
ILLNESS, ALCOHOLISM, AND DRUG ADDICTION IN DISABILITY
INSURANCE POLICIES TO EQUAL THOSE FOR PHYSICAL ILLNESS;
AMENDING SECTIONS 33-22-702 AND 33-22-703, MCA; AND
PROVIDING AN APPLICABILITY DATE."

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

Section 1. Section 33-22-702, MCA, is amended to read:

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

(1) "Inpatient benefits" are as set forth in
33-22-705.

(2) "Outpatient benefits" are as set forth in
33-22-705.

(3) "Chemical dependency treatment center" means a
treatment facility which:

(a) provides a program for the treatment of alcoholism
or drug addiction pursuant to a written treatment plan
approved and monitored by a physician or chemical dependency
counselor certified by the state; and

(b) is licensed or approved as a treatment center by
the department of institutions under 53-24-208 OR BY THE
APPROPRIATE LICENSING AUTHORITY OF ANY STATE.

(4) "Mental health treatment center" means a treatment
facility organized to provide care and treatment for mental
illness through multiple modalities or techniques pursuant
to a written treatment plan approved and monitored by an
interdisciplinary team, including a licensed physician,
psychiatric social worker, and psychologist, and which
facility is also:

(a) licensed as a mental health treatment center by
the state;

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

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

(5) "Mental illness" means neurosis, psychoneurosis,
psychopathy, psychosis, or personality disorder an--organic,
mental, or emotional impairment that has substantial adverse
effects on an individual's cognitive or volitional functions
A DISORDER INCLUDED IN THE CURRENT EDITION OF THE DIAGNOSTIC
AND STATISTICAL MANUAL OF MENTAL DISORDERS PUBLISHED BY THE
AMERICAN PSYCHIATRIC ASSOCIATION."

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

"33-22-703. Coverage for mental illness, alcoholism,

1 and drug addiction. Insurers, health service corporations,
 2 or any employees' health and welfare fund that provides
 3 accident and health insurance benefits to residents of this
 4 state under group health insurance or group health plans
 5 shall provide, for Montana residents covered under hospital
 6 and medical expenses incurred insurance group policies and
 7 under hospital and medical service plan group contracts, the
 8 level of benefits specified in this section for the
 9 necessary care and treatment of mental illness, alcoholism,
 10 and drug addiction, subject to the right of the applicant to
 11 select any alternative level of benefits above the minimum
 12 level of benefits described in subsections (1)(b), (2)(a),
 13 (2)(b), and (2)(d) as may be offered by the insurer or
 14 health service corporation:

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

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

22 (b) the aggregate maximum benefit for alcoholism and
 23 drug addiction of inpatient expenses under basic inpatient
 24 policies and contracts plus inpatient expenses under major
 25 medical policies and contracts may be limited to no less

1 than:

2 (i) ~~\$4,000~~ \$6,000 in any 24-month period; and

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

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

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

16 (b) for outpatient benefits, the coinsurance factor
 17 may not exceed 50% ~~20%~~ or the coinsurance factor applicable
 18 for physical illness generally, ~~whichever-is-greater~~, and
 19 the maximum benefit for mental illness, alcoholism, and drug
 20 addiction in the aggregate during any applicable benefit
 21 period may be limited to not less than ~~\$1,000~~ \$2,000;

22 (c) maximum lifetime benefits shall, for mental
 23 illness in the aggregate, be no less than those applicable
 24 to physical illness generally;

25 (d) the aggregate maximum benefit for alcoholism and

1 drug addiction of inpatient expenses under basic inpatient
2 policies and contracts plus inpatient expenses under major
3 medical policies and contracts may be limited to no less
4 than:

- 5 (i) ~~\$4,000~~ \$6,000 in any 24-month period; and
6 (ii) \$8,000 in lifetime benefits."

7 NEW SECTION. **Section 3. Extension of authority.** Any
8 existing authority to make rules on the subject of the
9 provisions of [this act] is extended to the provisions of
10 [this act].

11 NEW SECTION. **Section 4. Saving clause.** [This act]
12 does not affect rights and duties that matured, penalties
13 that were incurred, or proceedings that were begun before
14 [the effective date of this act].

15 NEW SECTION. **Section 5. Applicability.** The provisions
16 of [this act] apply to disability insurance policies issued
17 or renewed on or after October 1, 1989.

-End-

SENATE BILL NO. 182

INTRODUCED BY KEATING, ADDY, HAGER, SCHYE, LYNCH, GOOD,
CONNELLY, SIMON, TVEIT, ABRAMS, HANSEN, MERCER, RASMUSSEN

A BILL FOR AN ACT ENTITLED: "AN ACT REDEFINING "MENTAL
ILLNESS"; INCREASING THE MAXIMUM BENEFITS FOR MENTAL
ILLNESS, ALCOHOLISM, AND DRUG ADDICTION IN DISABILITY
INSURANCE POLICIES TO EQUAL THOSE FOR PHYSICAL ILLNESS;
AMENDING SECTIONS 33-22-702 AND 33-22-703, MCA; AND
PROVIDING AN APPLICABILITY DATE."

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

Section 1. Section 33-22-702, MCA, is amended to read:

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

(1) "Inpatient benefits" are as set forth in
33-22-705.

(2) "Outpatient benefits" are as set forth in
33-22-705.

(3) "Chemical dependency treatment center" means a
treatment facility which:

(a) provides a program for the treatment of alcoholism
or drug addiction pursuant to a written treatment plan
approved and monitored by a physician or chemical dependency
counselor certified by the state; and

(b) is licensed or approved as a treatment center by
the department of institutions under 53-24-208 OR BY THE
APPROPRIATE LICENSING AUTHORITY OF ANY STATE.

(4) "Mental health treatment center" means a treatment
facility organized to provide care and treatment for mental
illness through multiple modalities or techniques pursuant
to a written treatment plan approved and monitored by an
interdisciplinary team, including a licensed physician,
psychiatric social worker, and psychologist, and which
facility is also:

(a) licensed as a mental health treatment center by
the state;

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

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

(5) "Mental illness" means ~~neurosis, psychoneurosis,
psychopathy, psychosis, or personality disorder an--organic,
mental, or emotional impairment that has substantial adverse
effects on an individual's cognitive or volitional functions~~
A DISORDER INCLUDED IN THE CURRENT EDITION OF THE DIAGNOSTIC
AND STATISTICAL MANUAL OF MENTAL DISORDERS PUBLISHED BY THE
AMERICAN PSYCHIATRIC ASSOCIATION."

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

"33-22-703. Coverage for mental illness, alcoholism,

1 and drug addiction. Insurers, health service corporations,
 2 or any employees' health and welfare fund that provides
 3 accident and health insurance benefits to residents of this
 4 state under group health insurance or group health plans
 5 shall provide, for Montana residents covered under hospital
 6 and medical expenses incurred insurance group policies and
 7 under hospital and medical service plan group contracts, the
 8 level of benefits specified in this section for the
 9 necessary care and treatment of mental illness, alcoholism,
 10 and drug addiction, subject to the right of the applicant to
 11 select any alternative level of benefits above the minimum
 12 level of benefits described in subsections (1)(b), (2)(a),
 13 (2)(b), and (2)(d) as may be offered by the insurer or
 14 health service corporation:

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

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

22 (b) the aggregate maximum benefit for alcoholism and
 23 drug addiction of inpatient expenses under basic inpatient
 24 policies and contracts plus inpatient expenses under major
 25 medical policies and contracts may be limited to no less

1 than:

2 (i) ~~\$4,000~~ \$6,000 in any 24-month period; and

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

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

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

16 (b) for outpatient benefits, the coinsurance factor
 17 may not exceed 50% ~~20%~~ or the coinsurance factor applicable
 18 for physical illness generally, ~~whichever-is-greater~~; and
 19 the maximum benefit for mental illness, alcoholism, and drug
 20 addiction in the aggregate during any applicable benefit
 21 period may be limited to not less than ~~\$1,000~~ \$2,000;

22 (c) maximum lifetime benefits shall, for mental
 23 illness in the aggregate, be no less than those applicable
 24 to physical illness generally;

25 (d) the aggregate maximum benefit for alcoholism and

1 drug addiction of inpatient expenses under basic inpatient
2 policies and contracts plus inpatient expenses under major
3 medical policies and contracts may be limited to no less
4 than:

- 5 (i) ~~\$47,000~~ \$6,000 in any 24-month period; and
6 (ii) \$8,000 in lifetime benefits."

7 NEW SECTION. Section 3. Extension of authority. Any
8 existing authority to make rules on the subject of the
9 provisions of [this act] is extended to the provisions of
10 [this act].

11 NEW SECTION. Section 4. Saving clause. [This act]
12 does not affect rights and duties that matured, penalties
13 that were incurred, or proceedings that were begun before
14 [the effective date of this act].

15 NEW SECTION. Section 5. Applicability. The provisions
16 of [this act] apply to disability insurance policies issued
17 or renewed on or after October 1, 1989.

-End-

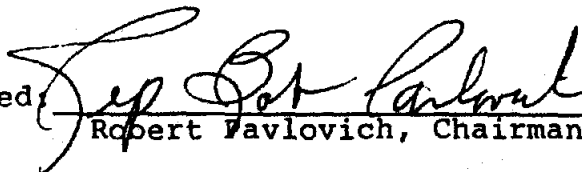
STANDING COMMITTEE REPORT

March 9, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that Senate Bill 182 (third reading copy - blue) be concurred in as amended.

Signed:


Robert Pavlovich, Chairman

[REP. SIMON WILL CARRY THIS BILL ON THE HOUSE FLOOR]

And, that such amendments read:

1. Page 2, line 20.

Following: "~~functions~~"

Insert: "an organic or emotional impairment that has substantial adverse effects on an individual's cognitive or volitional functions and that is"

HOUSE

SB 182

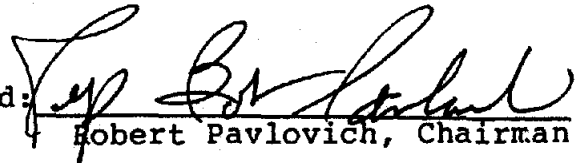
STANDING COMMITTEE REPORT

March 20, 1989

Page 1 of 1

Mr. Speaker: We, the committee on Business and Economic Development report that SENATE BILL 182 (third reading copy - blue), be concurred in as amended.

Signed:


Robert Pavlovich, Chairman

[REP. SIMON WILL CARRY THIS BILL ON THE HOUSE FLOOR]

And, that such amendments read:

1. Title, lines 5 and 6.

Strike: "REDEFINING "MENTAL ILLNESS";"

2. Page 2, line 21 through 23.

Strike: lines 21 and 22 in their entirety and through
"ASSOCIATION" on line 23

Insert: "neurosis, psychoneurosis, psychopathy, psychosis, or a
personality disorder"

3. Page 4, line 2.

Page 5, line 5.

Strike: "\$6,000"

Insert: "\$5,000"

4. Page 4, line 17.

Following: "or"

Insert: "35% or"

5. Page 4, line 18.

Following: "~~greater,~~"

Insert: "whichever is greater,"

6. Page 4, line 21.

Strike: "\$2,000"

Insert: "\$1,500"

7. COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT
STANDING COMMITTEE REPORT OF MARCH 9, 1989

Strike: Amendment No. 1 in its entirety

(Rep. Simon will carry this bill on the House Floor)

HOUSE

SB 182