

SENATE BILL NO. 339

INTRODUCED BY

Christians
1 mi
J. Nelson

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING INSURANCE COVERAGE FOR MENTAL ILLNESS, ALCOHOLISM, AND DRUG ADDICTION; REVISING THE DEFINITION OF MENTAL ILLNESS; DEFINING PARTIAL HOSPITALIZATION BENEFITS; ALLOWING USE OF PARTIAL HOSPITALIZATION BENEFITS IN LIEU OF INPATIENT BENEFITS; REDUCING THE LIMIT OF CALENDAR DAYS A YEAR FOR INPATIENT BENEFITS; ALLOWING APPLICATION OF SEPARATE COINSURANCE FACTORS FOR MENTAL ILLNESS AND FOR ALCOHOLISM AND DRUG ADDICTION AND RAISING THE LIMIT; AMENDING SECTIONS 33-22-702, 33-22-703, AND 33-22-705, 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) "Chemical dependency treatment center" means a treatment facility ~~which~~ that:

(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 corrections and human services under 53-24-208.

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

(3) "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~~ a treatment facility that 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.

1 (4) (a) "Mental illness" means ~~neurosis, psychoneurosis, psychopathy, psychosis, or personality~~
 2 disorder a clinically significant behavioral or psychological syndrome or pattern that occurs in a person and
 3 that is associated with:

4 (i) present distress or a painful symptom;

5 (ii) a disability or impairment in one or more areas of functioning; or

6 (iii) a significantly increased risk of suffering death, pain, disability, or an important loss of freedom.

7 (b) Mental illness must be considered as a manifestation of a behavioral, psychological, or biological
 8 dysfunction in a person.

9 (c) Mental illness does not include:

10 (i) a developmental disorder;

11 (ii) a speech disorder;

12 (iii) a psychoactive substance use disorder;

13 (iv) an eating disorder, except for bulimia and anorexia nervosa; or

14 (v) an impulse control disorder, except for intermittent explosive disorder and trichotillomania.

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

16 (6) "Partial hospitalization benefits" are as set forth in 33-22-705."

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

19 **"33-22-703. Coverage for mental illness, alcoholism, and drug addiction.** Insurers, health service
 20 corporations, or any employees' health and welfare fund that provides accident and health insurance
 21 benefits to residents of this state under group health insurance or group health plans shall provide, for
 22 Montana residents covered under hospital and medical expenses incurred insurance group policies and
 23 under hospital and medical service plan group contracts, the level of benefits specified in this section for
 24 the necessary care and treatment of mental illness, alcoholism, and drug addiction, subject to the right of
 25 the applicant to select any alternative level of benefits above the minimum level of benefits described in
 26 subsections (1)(b), (2)(a), (2)(b), and (2)(d) as may be offered by the insurer or health service corporation:

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

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

1 or contract; Partial hospitalization benefits may be used in lieu of inpatient benefits. Two days of partial
 2 hospitalization benefits must be available for each day of inpatient benefits.

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

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

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

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

11 (a) inpatient benefits may be limited to no less than ~~30~~ 21 calendar days per year as defined in the
 12 policy or contract. If inpatient benefits are provided beyond ~~30~~ 21 calendar days per year, the durational
 13 limits, dollar limits, deductibles, and coinsurance factors applicable ~~thereto~~ to inpatient benefits need not
 14 be the same as applicable to physical illness generally.

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

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

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

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

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

26

27 **Section 3.** Section 33-22-705, MCA, is amended to read:

28 **"33-22-705. Inpatient and, outpatient, and partial hospitalization benefits.** (1) "Inpatient benefits"
 29 are benefits payable for charges made by a hospital or freestanding inpatient facility for the necessary care
 30 and treatment of mental illness, alcoholism, or drug addiction furnished to a covered person while confined

1 as an inpatient and, with respect to major medical policies or contracts, also includes those benefits payable
2 for charges made by a physician for the necessary care and treatment of mental illness, alcoholism, or drug
3 addiction furnished to a covered person while confined as an inpatient. Care and treatment of alcoholism
4 or drug addiction in a freestanding inpatient facility must be in a chemical dependency treatment center that
5 is approved by the department of corrections and human services under 53-24-208.

6 (2) "Outpatient benefits" are benefits payable for:

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

9 (b) reasonable charges for services rendered or prescribed by a physician for the necessary care
10 and treatment for mental illness, alcoholism, or drug addiction furnished to a covered person while not
11 confined as an inpatient;

12 (c) reasonable charges made by a mental health or chemical dependency treatment center for the
13 necessary care and treatment of a covered person provided in the treatment center. The chemical
14 dependency treatment center must be approved by the department of corrections and human services under
15 53-24-208.

16 (d) reasonable charges for services rendered by a licensed psychiatrist, psychologist, licensed
17 professional counselor, licensed social worker, or chemical dependency counselor certified by the
18 department of corrections and human services under 53-24-204.

19 (3) "Partial hospitalization benefits" are benefits payable for a time-limited, ambulatory, active
20 treatment program that offers therapeutically intensive, coordinated, and structured clinical services within
21 a stable, therapeutic milieu. It is a general term that encompasses day, evening, and weekend treatment
22 programs that employ an integrated, comprehensive, and complementary schedule of recognized treatment
23 approaches. The programs are designed to serve persons with significant impairment resulting from a
24 psychiatric, emotional, or behavioral disorder."

25

26 NEW SECTION. Section 4. Applicability. [This act] applies to a policy or certificate of disability
27 insurance and health service membership contract entered into or renewed on or after [the effective date
28 of this act].

29

-END-

1 SENATE BILL NO. 339

2 INTRODUCED BY CHRISTIAENS, L. NELSON, TUSS

3
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7 LIEU OF INPATIENT BENEFITS; REDUCING THE LIMIT OF CALENDAR DAYS A YEAR FOR INPATIENT
8 BENEFITS; ALLOWING APPLICATION OF SEPARATE COINSURANCE FACTORS FOR MENTAL ILLNESS
9 AND FOR ALCOHOLISM AND DRUG ADDICTION AND RAISING THE LIMIT FOR MENTAL ILLNESS;
10 AMENDING SECTIONS 33-22-702, AND 33-22-703, ~~AND 33-22-705~~, MCA; AND PROVIDING AN
11 APPLICABILITY DATE."

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16 **"33-22-702. Definitions.** For purposes of this part, the following definitions apply:

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19 treatment plan approved and monitored by a physician or chemical dependency counselor certified by the
20 state; and

21 (b) is licensed or approved as a treatment center by the department of corrections and human
22 services under 53-24-208.

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

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

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

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

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

1 referral.

2 (4) (a) "Mental illness" means neurosis, psychoneurosis, psychopathy, psychosis, or personality
3 disorder a clinically significant behavioral or psychological syndrome or pattern that occurs in a person and
4 that is associated with:

- 5 (i) present distress or a painful symptom;
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- 7 (iii) a significantly increased risk of suffering death, pain, disability, or an important loss of freedom.

8 (b) Mental illness must be considered as a manifestation of a behavioral, psychological, or biological
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- 14 (iv) an eating disorder, except for bulimia and anorexia nervosa; or
- 15 (v) an impulse control disorder, except for intermittent explosive disorder and trichotillomania.

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

17 ~~(6) "Partial hospitalization benefits" are as set forth in 33-22-706."~~

18

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

20 **"33-22-703. Coverage for mental illness, alcoholism, and drug addiction.** Insurers, health service
21 corporations, or any employees' health and welfare fund that provides accident and health insurance
22 benefits to residents of this state under group health insurance or group health plans shall provide, for
23 Montana residents covered under hospital and medical expenses incurred insurance group policies and
24 under hospital and medical service plan group contracts, the level of benefits specified in this section for
25 the necessary care and treatment of mental illness, alcoholism, and drug addiction, subject to the right of
26 the applicant to select any alternative level of benefits above the minimum level of benefits described in
27 subsections ~~(1)(b)~~ (1)(C), (2)(a), ~~(2)(b), and (2)(C), (2)(d), AND (2)(E)~~ as may be offered by the insurer or
28 health service corporation:

29 (1) under basic inpatient expense policies or contracts, inpatient hospital benefits consisting of
30 durational limits, dollar limits, deductibles, and coinsurance factors that are not less favorable than for

1 physical illness generally, except that:

2 ~~(a) benefits may be limited to not less than 30 21 calendar days per year as defined in the policy~~
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5 ~~(b) the aggregate maximum benefit for alcoholism and drug addiction of inpatient expenses under~~
 6 ~~basic inpatient policies and contracts plus inpatient expenses under major medical policies and contracts~~
 7 ~~may be limited to no less than:~~

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

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

10 (A) INPATIENT TREATMENT FOR MENTAL ILLNESS, ALCOHOLISM, AND DRUG ADDICTION IS
 11 SUBJECT TO A MAXIMUM YEARLY BENEFIT OF 21 DAYS;

12 (B) INPATIENT TREATMENT FOR MENTAL ILLNESS MAY BE TRADED ON A 2-FOR-1 BASIS FOR
 13 A BENEFIT FOR PARTIAL HOSPITALIZATION THROUGH AN AMERICAN PARTIAL HOSPITALIZATION
 14 ASSOCIATION PROGRAM OPERATED BY A HOSPITAL; AND

15 (C) INPATIENT TREATMENT FOR ALCOHOLISM AND DRUG ADDICTION IS SUBJECT TO A
 16 MAXIMUM BENEFIT OF \$4,000 IN ANY 24-MONTH PERIOD AND A MAXIMUM LIFETIME BENEFIT OF
 17 \$8,000;

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 19 of durational limits, dollar limits, deductibles, and coinsurance factors that are not less favorable than for
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 30 ~~applicable to physical illness generally;~~

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 12 A MAXIMUM BENEFIT OF \$4,000 IN ANY 24-MONTH PERIOD AND A MAXIMUM LIFETIME BENEFIT OF
 13 \$8,000;

14 (D) OUTPATIENT TREATMENT FOR MENTAL ILLNESS MAY BE SUBJECT TO A MAXIMUM
 15 YEARLY BENEFIT OF NO LESS THAN \$2,000; AND

16 (E) OUTPATIENT TREATMENT FOR ALCOHOLISM AND DRUG ADDICTION IS SUBJECT TO A
 17 MAXIMUM YEARLY BENEFIT OF \$1,000."

18
 19 ~~Section 3. Section 33-22-705, MCA, is amended to read:~~

20 ~~"33-22-705. Inpatient and, outpatient, and partial hospitalization benefits. (1) "Inpatient benefits"~~
 21 ~~are benefits payable for charges made by a hospital or freestanding inpatient facility for the necessary care~~
 22 ~~and treatment of mental illness, alcoholism, or drug addiction furnished to a covered person while confined~~
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 26 ~~or drug addiction in a freestanding inpatient facility must be in a chemical dependency treatment center that~~
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11 APPLICABILITY DATE."

THERE ARE NO CHANGES IN THIS BILL AND IT WILL
NOT BE REPRINTED. PLEASE REFER TO SECOND
READING COPY (YELLOW) FOR COMPLETE TEXT.



HOUSE STANDING COMMITTEE REPORT

March 24, 1995

Page 1 of 1

Mr. Speaker: We, the committee on Human Services and Aging report that Senate Bill 339 (third reading copy -- blue) be concurred in as amended.

Signed:

A handwritten signature in black ink, appearing to read "Duane Grimes".

Duane Grimes, Chair

Carried by: Rep. Tuss

And, that such amendments read:

1. Page 3, line 13.

Following: "THROUGH"

Strike: "AN"

Insert: "a program that complies with the standards for a partial hospitalization program that are published by the"

2. Page 3, line 14.

Following: "ASSOCIATION"

Insert: "if the"

Following: "PROGRAM"

Insert: "is"

3. Page 4, line 9.

Following: "THROUGH"

Strike: "AN"

Insert: "a program that complies with the standards for a partial hospitalization program that are published by the"

4. Page 4, line 10.

Following: "ASSOCIATION"

Insert: "if the"

Following: "PROGRAM"

Insert: "is"

-END-

SB 339

A handwritten mark, possibly initials or a signature, in black ink.

Committee Vote:
Yes 16, No 0.

HOUSE

SENATE BILL NO. 339

INTRODUCED BY CHRISTIAENS, L. NELSON, TUSS

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