

BILL ANALYSIS

Senate Research Center
78R1786 AJA-D

S.B. 116
By: Van de Putte
State Affairs
2/19/2003
2/24/2003

DIGEST AND PURPOSE

Under current Texas law, private insurance policies are not required to cover children's mental health illnesses at the same level as physical health care. As a result, mental illnesses are sometimes not treated unless and until a child's mental illness causes a physical ailment. As proposed, S.B. 116 directs insurance benefit plans to cover children's mental health at the same level as physical health coverage.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Commissioner of Insurance of the State of Texas in SECTION 1 (Sections 1 and 6, Article 21.53R, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 21E, Insurance Code, by adding Article 21.53R, as follows:

Art. 21.53R. COVERAGE FOR CERTAIN MENTAL DISORDERS IN CHILDREN

Sec. 1. DEFINITIONS. Defines "child" and "mental disorder."

Sec. 2. APPLICABILITY OF ARTICLE. (a) Provides that this article applies only to a health benefit plan that provides benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness, including an individual, group, blanket, or franchise insurance policy or insurance agreement, a group hospital service contract, or an individual or group evidence of coverage or similar coverage document that is offered by certain entities.

(b) Provides that this article applies to a small employer health benefit plan written under Chapter 26 (Health Insurance Availability).

(c) Provides that this article does not apply to certain plans and policies.

Sec. 3. COVERAGE REQUIRED. (a) Requires a health benefit plan to provide coverage for a child enrollee for the diagnosis and treatment of a mental disorder. Requires a health benefit plan to provide coverage required under this subsection under the same terms and conditions as coverage for diagnosis and treatment of physical illness, except as provided by this article.

(b) Authorizes coverage required under this article to be provided or offered through a managed care plan.

Sec. 4. COVERAGE OF INPATIENT STAYS AND OUTPATIENT VISIT. Requires that a health benefit plan to cover inpatient stays and outpatient visits under this article under the same terms and conditions as the plan covers inpatient stays and outpatient visits for treatment of a physical illness. Prohibits coverage required by this article from being subject to an annual or lifetime limit on the number of days of inpatient treatment or the number of outpatient visits covered under the plan.

Sec. 5. AMOUNT LIMITS; DEDUCTIONS; COPAYMENTS; COINSURANCE. Requires that coverage provided under this article be subject to the same amount limits, deductibles, copayments, and coinsurance factors as coverage for physical illness.

Sec. 6. RULES. Requires the commissioner of insurance to adopt rules as necessary to implement this article.

SECTION 2. Amends Section 1(1), Article 3.51-14, Insurance Code, to delete from the definition of “serious mental illness” the words “depression in childhood and adolescence.”

SECTION 3. Amends Section 3(a), Article 3.51-14, Insurance Code, to make a conforming change.

SECTION 4. Requires the Sunset Advisory Commission to conduct a study to determine certain factors, including the extent of the health benefit plan and its impact. Requires the Sunset Advisory Commission to report its findings to the legislature by January 1, 2009, and requires the Department of Insurance and any other state agency to cooperate with said commission to implement this plan.

SECTION 5. Effective date: September 1, 2003.

Makes application of this Act prospective to January 1, 2004.