

BILL ANALYSIS

Senate Research Center
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S.B. 215
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AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, there are no known provisions that address mental health policy payments for individuals under 19 years of age. Current insurance policies limit coverage for mental health care significantly below coverage of physical health conditions.

Without proper, adequate, and timely treatment, mental disorders will need more intensive intervention. With access to treatment being uncompensated by insurance companies, the burden for treatment falls on public systems such as the public mental health system, or, when mental health deteriorates substantially, the criminal justice system.

As proposed, S.B. 215 (Children's Mental Health Act) mandates that coverage payments for mental disorders equal that of the payments made for physical indications thus providing parity for children's mental health with physical health.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 (Section 1367.257, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 1367, Insurance Code, as effective April 1, 2005, by adding Subchapter F, as follows:

SUBCHAPTER F. CERTAIN MENTAL DISORDERS IN CHILDREN

Sec. 1367.251. DEFINITIONS. Defines "child" and "mental disorder."

Sec. 1367.252. APPLICABILITY OF SUBCHAPTER. Provides that this subchapter only applies to certain types of health benefit plans (plans).

Sec. 1367.253. EXCEPTION. Provides that this section does not apply to certain types of plans.

Sec. 1367.254. COVERAGE REQUIRED. (a) Requires that a plan provide coverage for the diagnosis and treatment of a mental disorder for an enrollee who is a child. Requires that a plan, except as provided by this subchapter, provide coverage required under this subsection under the same terms and conditions as coverage for diagnosis and treatment of physical illness.

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

Sec. 1367.255. COVERAGE OF INPATIENT STAYS AND OUTPATIENT VISITS. Requires that a plan, except as provided by this section, to cover inpatient stays and outpatient visits under this subchapter 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 subchapter 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. 1367.256. AMOUNT LIMITS; DEDUCTIBLES; COPAYMENTS; COINSURANCE. Requires coverage provided under this subchapter to be subject to the same amount limits, deductibles, copayments, and coinsurance factors as coverage for physical illness.

Sec. 1367.257. RULES. Requires the commissioner of insurance to adopt rules as necessary to implement this subchapter.

SECTION 2. Amends Section 1355.001(1), Insurance Code, as effective April 1, 2005, to redefine "serious mental illness."

SECTION 3. Amends Section 1355.004(a), Insurance Code, as effective April 1, 2005 to provide for the exception granted by Subchapter F, Chapter 1367. Makes a nonsubstantive change.

SECTION 4. (a) Requires the Sunset Advisory Commission (Sunset), on or before September 1, 2010, to conduct a study to determine the extent to which the plan coverage added by this Act is being used by enrollees of applicable plans and the impact of the required coverage on the cost of those plans.

(b) Requires Sunset to report its findings under this section to the legislature on or before January 1, 2011.

(c) Requires the Texas Department of Insurance and any other state agency to cooperate with Sunset as necessary to implement this section.

SECTION 5. Makes application of this Act prospective to January 1, 2006.

SECTION 6. Effective date: September 1, 2005.