

ENGROSSED HOUSE AMENDMENT  
TO  
ENGROSSED SENATE BILL NO. 2

By: Taylor, Monson, Fisher and  
Williams of the Senate

and

Benson of the House

( severe mental illness - managed care systems -  
benefits - codification -  
effective date )

AUTHOR: Add the following House Coauthor: Adair

AMENDMENT NO. 1. Strike the stricken title, enacting clause and  
entire bill and insert

"( insurance - Dr. James M. Behrman Mental Health  
Parity Act - coverage for severe mental illness -  
managed care system - codification -  
effective date )

SECTION 1. NEW LAW A new section of law not to be  
codified in the Oklahoma Statutes reads as follows:

This act shall be known and may be cited as the "Dr. James M.  
Behrman Mental Health Parity Act".

SECTION 2. NEW LAW A new section of law to be codified  
in the Oklahoma Statutes as Section 6060.10 of Title 36, unless  
there is created a duplication in numbering, reads as follows:

A. 1. Subject to the limitations set forth in Section 4 of  
this act, any group health insurance or health benefit plan  
agreement, contract or policy, including the State and Education

Employees Group Insurance Board and any indemnity plan, not-for-profit hospital or medical service or indemnity contract, prepaid or managed care plan or provider arrangement, and Multiple Employer Welfare Arrangement (MEWA) or employer self-insured plan, except as exempt under federal ERISA provisions, that is offered, issued, or renewed on or after the effective date of this act shall provide benefits for treatment of adults, adolescents and children with severe mental illness. Such benefits are only required to be provided through in-network coverage in a managed care system.

2. Such benefits shall be equal to benefits for treatment of and shall be subject to the same preauthorization and utilization review mechanisms and other terms and conditions as all other physical diseases and disorders.

3. This requirement shall not apply to agreements, contracts or policies that provide coverage for a specified disease or other limited benefit coverage or groups with fifty or fewer employees.

B. 1. The nondiscrimination requirement set forth in subsection A of this section shall pertain to all aspects of any health insurance or health benefit plan agreement, contract or policy that is offered, issued, or renewed in this state including, but not limited to:

- a. coverage of inpatient hospital services for at least twenty-six (26) days,
- b. coverage of outpatient services,
- c. coverage of medication,
- d. maximum lifetime benefits,
- e. copayments,
- f. coverage of home health visits,
- g. individual and family deductibles, and
- h. coinsurance.

2. For purposes of this section, "severe mental illness" means:

- a. schizophrenia,

- b. bipolar disorder (manic-depressive illness),
- c. major depression,
- d. panic disorder,
- e. obsessive-compulsive disorder, and
- f. schizoaffective disorder.

The mental disorders listed in paragraph 2 of this subsection B of this section shall be defined for purposes of this act as those disorders are defined in the most current edition of the Diagnostic and Statistical Manual of Mental Disorders.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6060.11 of Title 36, unless there is created a duplication in numbering, reads as follows:

The provisions of Section 2 of this act shall not apply to any agreement, contract or policy if the cost after the first year of implementation of the provisions have caused the premium costs for the agreement, contract or policy to increase more than two percent (2%).

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 6060.12 of Title 36, unless there is created a duplication in numbering, reads as follows:

A. The benefit requirements set forth in Section 2 of this act shall terminate May 1, 2003. Any agreement, contract or policy issued after May 1, 2003, shall not be required to provide benefits for treatment of adults, adolescents and children with severe mental illness.

B. By December 1, 2002, the Insurance Commissioner shall submit a report to the Governor, the Speaker of the House of Representatives and the President Pro Tempore of the Senate, analyzing the direct incremental premium costs of requiring group health insurance or health benefit plans, agreements, contracts or policies to include benefits for severe mental illness on the premium costs. The report shall also include to the extent

possible, an analysis of any other direct or indirect benefits and costs associated with requiring benefits for severe mental illness. Each insurance provider issuing health insurance coverage with benefits for severe mental illness as required pursuant to this act, shall submit to the Insurance Commissioner information calculating the increase in premium cost, if any, directly associated with providing coverage for severe mental illness. The Insurance Commissioner shall determine when and in what form the information is to be reported by the insurance providers. The Commissioner shall compile and report the information in such a way as to keep individual insurance provider information confidential.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2357.66 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. For tax years beginning after December 31, 1999, through the tax year ending December 31, 2003, there shall be allowed a credit against the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes for employers incurring eligible expenses in connection with providing health insurance coverage which includes benefits for severe mental illness to their employees.

B. As used in this section:

1. "Eligible expenses" means the difference in the annual amount in premiums paid by an employer for health insurance coverage with benefits for severe mental illness minus the annual amount in premiums the employer would have paid for health insurance coverage without benefits for severe mental illness multiplied by the number of employees and dependents covered under the health insurance provided by the employer; and

2. "Health insurance coverage with benefits for severe mental illness" means any health insurance coverage which includes benefits for severe mental illness as required in Section 2 of this act.

C. The credit allowed in subsection A of this section shall be fifty percent (50%) of the amount of eligible expenses. Such credit shall not be allowed for any amounts for which the employee claims or receives an income tax credit, exemption, or deduction.

D. Any credits allowed but not used in any tax year may be carried over in order to each of the four (4) tax years following the year of qualification.

SECTION 6. This act shall become effective January 1, 2000."

Passed the House of Representatives the 29th day of March, 1999.

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Speaker of the House of  
Representatives

Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 1999.

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President of the Senate