

1 STATE OF OKLAHOMA

2 1st Session of the 47th Legislature (1999)

3 COMMITTEE SUBSTITUTE
4 FOR ENGROSSED
5 SENATE BILL NO. 2

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

6 and

7 Benson of the House
8
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11 COMMITTEE SUBSTITUTE

12 An Act relating to insurance; creating the Dr. James
13 M. Behrman Mental Health Parity Act; requiring group
14 health insurance and health benefit plans to include
15 coverage for severe mental illness; allowing benefits
16 to be provided by a managed care system; requiring
17 equality of benefits; making certain exceptions;
18 clarifying application of requirement to agreement,
19 contract or policy provisions; defining term;
20 limiting application of the provisions of the act;
21 providing for termination of benefit requirements;
22 requiring the Insurance Commissioner to submit a
23 report on the costs associated with the benefit
24 requirements; requiring insurance providers to submit
25 certain information to the Commissioner; requiring
26 certain information to be confidential; providing for
27 codification; and providing an effective date.

28 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

31 This act shall be known and may be cited as the "Dr. James M.
32 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

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

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

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

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

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

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

- 32 a. schizophrenia,

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

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

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

13 The provisions of Section 2 of this act shall not apply to any
14 agreement, contract or policy if the cost after the first year of
15 implementation of the provisions have caused the premium costs for
16 the agreement, contract or policy to increase more than two percent
17 (2%).

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

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

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

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

12 SECTION 5. This act shall become effective January 1, 2000.

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