

STATE OF OKLAHOMA

1st Session of the 49th Legislature (2003)

HOUSE BILL HB1283

By: Lindley

AS INTRODUCED

An Act relating to health insurance; amending 36 O.S. 2001, Sections 6060.10, 6060.11, 6060.12 and 6060.13, which relate to certain benefits for the treatment of severe mental illness; adding definitions; requiring certain benefits for the treatment of substance abuse; modifying certain dates; and providing an effective date.

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

SECTION 1. AMENDATORY 36 O.S. 2001, Section 6060.10, is amended to read as follows:

Section 6060.10 As used in this act:

1. "Alcohol dependence" means the use of alcoholic beverages to the extent that such use impairs the health, family life, or occupation of an individual and compromises the health and safety of the community;

2. "Drug dependence" means the use of a controlled substance as that term is defined in Section 102 of the Federal Controlled Substances Act, 21 USCA Section 802, and the condition of psychic or physical dependence, or both, arising from the administration of a controlled substance on an intermittent or continuous basis. Drug dependence is characterized by behavioral and other responses which include a strong compulsion to take the substance on a continuous basis in order to experience its psychic effects or to avoid the discomfort of its absence;

~~4.~~ 3. "Base period" means the period of coverage pursuant to the issuance or renewal of a health benefit plan that is required to provide benefits pursuant to the provisions of Section ~~2~~ 6060.11 of this act title;

~~2.~~ 4. a. "Health benefit plan" means:

- (1) group hospital or medical insurance coverages,
- (2) not-for-profit hospital or medical service or indemnity plans,
- (3) prepaid health plans,
- (4) health maintenance organizations,
- (5) preferred provider plans,
- (6) the State and Education Employees Group Insurance Plan,
- (7) Multiple Employer Welfare Arrangements (MEWA), or
- (8) employer self-insured plans that are not exempt pursuant to the federal Employee Retirement Income Security Act (ERISA) provisions.

b. The term "health benefit plan" shall not include individual plans; plans that only provide coverage for a specified disease, accidental death, or dismemberment for wages or payments in lieu of wages for a period during which an employee is absent from work because of sickness or injury or as a supplement to liability insurance; Medicare supplemental policies as defined in Section 1882(g)(1) of the federal Social Security Act (42 U.S.C., Section 1395ss); workers' compensation insurance coverages; medical payment insurance issued as a part of a motor vehicle insurance policy; or long term care policies including nursing home fixed indemnity policies, unless the Insurance Commissioner determines that the policy provides comprehensive benefit coverage sufficient to meet the definition of a health benefit plan;

~~3.~~ 5. "Severe mental illness" means any of the following biologically based mental illnesses for which the diagnostic

criteria are prescribed in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders:

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

~~4.~~ 6. "Small employer" means any person, firm, corporation, partnership, limited liability company, association, or other legal entity that is actively engaged in business that, on at least fifty percent (50%) of its working days during the preceding calendar year, employed no more than fifty (50) employees who work on a full-time basis, which means an employee has a normal work week of twenty-four (24) or more hours; and

7. "Substance abuse" means alcohol dependence or drug dependence.

SECTION 2. AMENDATORY 36 O.S. 2001, Section 6060.11, is amended to read as follows:

Section 6060.11 A. Subject to the limitations set forth in this section and Sections ~~3~~ 6060.12 and ~~4~~ 6060.13 of this ~~act~~ title, any health benefit plan that is offered, issued, or renewed in this state on or after the effective date of this act shall provide benefits for treatment of severe mental illness and substance abuse.

B. The provisions of subsection A of this section shall pertain to all aspects of any health benefit plan that is offered, issued, or renewed in this state. Benefits required by subsection A of this section 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, including, but not limited to:

1. Coverage of inpatient hospital services for either twenty-six (26) days or the limit for other covered illnesses, whichever is greater;

2. Coverage of outpatient services;

3. Coverage of medication;

4. Maximum lifetime benefits;

5. Co-payments;

6. Coverage of home health visits;

7. Individual and family deductibles; and

8. Co-insurance.

C. The provisions of subsection A of this section shall not apply to coverage provided by a health benefit plan for a small employer.

SECTION 3. AMENDATORY 36 O.S. 2001, Section 6060.12, is amended to read as follows:

Section 6060.12 A. 1. A health benefit plan that, at the end of its base period, experiences a greater than two percent (2%) increase in premium costs pursuant to providing benefits for treatment of severe mental illness or substance abuse shall be exempt from the provisions of Section ~~2~~ 6060.11 of this ~~act~~ title.

2. To calculate base-period-premium costs, the health benefit plan shall subtract from premium costs incurred during the base period, both the premium costs incurred during the period immediately preceding the base period and any premium cost increases attributable to factors unrelated to benefits for treatment of severe mental illness or substance abuse.

3. a. To claim the exemption provided for in subsection A of this section a health benefit plan shall provide to the Insurance Commissioner a written request signed by an actuary stating the reasons and actuarial assumptions upon which the request is based.

- b. The Commissioner shall verify the information provided and shall approve or disapprove the request within thirty (30) days of receipt.
- c. If, upon investigation, the Commissioner finds that any statement of fact in the request is found to be knowingly false, the health benefit plan may be subject to suspension or loss of license or any other penalty as determined by the Commissioner, or the State Commissioner of Health with regard to health maintenance organizations.

SECTION 4. AMENDATORY 36 O.S. 2001, Section 6060.13, is amended to read as follows:

Section 6060.13 A. The Insurance Commissioner shall analyze any direct incremental impact on premium costs pursuant to the requirements of Section ~~2~~ 6060.11 of this ~~act~~ title. The Commissioner shall submit a report of all preliminary data and findings to the Governor, the President Pro Tempore of the Senate and the Speaker of the House of Representatives by May 1, ~~2000~~ 2004, with subsequent updates submitted by November 1, ~~2000~~ 2004 ; May 1, ~~2001~~ 2005; November 1, ~~2001~~ 2005; May 1, ~~2002~~ 2006, and November 1, ~~2002~~ 2006. The reports shall specify the costs attributable to the treatment of severe mental illness and those attributable to the treatment of substance abuse.

B. 1. The Commissioner shall submit a final report to the Governor, the President Pro Tempore of the Senate and the Speaker of the House of Representatives by December 1, ~~2002~~ 2006, which shall include, but not be limited to, the collection and analysis of data provided by health benefit plans, including, but not limited to:

- a. a determination of the average premium increase directly attributable to providing benefits for treatment of severe mental illness and substance abuse pursuant to the provisions of Section ~~2~~ 6060.11 of

this ~~act~~ title by health benefit plans in this state incurred during the first year of implementation of this act, and any additional premium increases incurred during the second and third year of implementation,

- b. information on the number of claims filed and the total amount expended on those claims for benefits for treatment of severe mental illness and substance abuse,
- c. information on the utilization of services listed in subsection B of Section ~~2~~ 6060.11 of this ~~act~~ title, and
- d. actuarial assumptions used in determining premium costs for providing the required benefits.

2. The final report shall also include, to the extent possible, an analysis of any other direct or indirect benefit of requiring benefits for treatment of severe mental illness and substance abuse.

C. 1. All health benefit plans shall provide the data required by this subsection in such form and at such time as the Commissioner shall prescribe.

2. The Commissioner shall compile and report the data provided by the health benefit plans in such a way as to keep individual plan information confidential, unless the plan gives explicit permission to release such identifiable information.

D. If the report required by subsection A of this section shows that the cumulative average premium increase incurred during the first three (3) years of implementation of this act that is directly attributable to the provision of benefits for treatment of severe mental illness is greater than six percent (6%), the requirements of Section ~~2~~ 6060.11 of this ~~act~~ title shall terminate May 1, ~~2003~~ 2006, and any agreement, contract or policy issued after May 1, ~~2003~~

2006, shall not be required to provide benefits for treatment of severe mental illness or substance abuse.

SECTION 5. This act shall become effective November 1, 2003.

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