

Regular Session, 2008

SENATE BILL NO. 535

BY SENATORS CASSIDY AND NEVERS

HEALTH/ACC INSURANCE. Requires insurance coverage of certain medically necessary treatments for alcoholism, drug abuse, and mental illness, effective upon the enactment of an income tax credit equal to the cost of premiums related to providing such coverage. (8/15/08)

1 AN ACT

2 To amend and reenact R.S. 22:215.5 and to redesignate R.S. 22:669 as R.S. 22:215.26,

3 relative to health insurance; to provide for health insurance coverage for mental

4 illness; to require coverage for treatment for drugs and alcoholism under the same

5 coverages and terms as those which are provided for the treatment of other illnesses

6 upon the enactment of an income tax credit equal to the cost of premiums related to

7 providing such coverage; to provide for an independent actuarial analysis of the

8 effect of mandated coverage of mental health and substance abuse services; to

9 exempt certain individual and limited benefit policies from mandated coverage; and

10 to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 22:215.5 is hereby amended and reenacted to read as follows:

13 §215.5. ~~Group, blanket, and association health~~ **Health** insurance **coverage**,

14 treatment for mental illness, alcoholism and drug abuse

15 A. **(1) Except as otherwise provided in Subsection B of this Section, every**

16 ~~Any~~ group, blanket, or association health insurance policy issued under R.S. 22:215

17 shall include as an option to be exercised by the policyholder, as defined therein,

1 covered benefits for the treatment of alcoholism and, for the treatment of drug abuse
2 rendered or prescribed by a physician licensed in this state, received in any licensed
3 hospital or in any other public or private facility, or portion thereof duly authorized
4 by the appropriate state authority to provide alcoholism or drug abuse treatment and
5 rehabilitation services, including freestanding, nonhospital chemical dependency
6 units.

7 **(2) Beginning on January 1, 2010, every group, blanket, or association**
8 **health insurance policy issued, delivered, or renewed under R.S. 22:215 to an**
9 **employer with fewer than fifty employees, shall include coverage for the**
10 **treatment of mental illness, alcoholism and drug abuse as these conditions are**
11 **defined under the terms of the group health plan or coverage. In order for a**
12 **policyholder or covered dependent to be eligible for in-network benefits and for**
13 **a healthcare provider to be reimbursed directly by a health insurance issuer,**
14 **such healthcare provider shall meet a health insurance issuer's contracting and**
15 **credentialing requirements. Coverage shall be provided when treatment is**
16 **provided by any of the following healthcare providers duly licensed in the state:**

17 **(a) A physician.**

18 **(b) A clinical psychologist.**

19 **(c) A clinical social worker.**

20 **(d) An addiction counselor.**

21 **(e) A marriage and family therapist.**

22 **(f) A licensed hospital or any other public or private facility or portion**
23 **of such facility duly authorized by the state to provide mental illness, alcoholism**
24 **or drug abuse treatment and rehabilitation services, including freestanding,**
25 **chemical dependency units.**

26 **(3) Benefits provided pursuant to policies issued in compliance with the**
27 **provisions of this Section shall include the following:**

28 **(a) For employees and dependents enrolled in federally qualified high-**
29 **deductible health plans, the same benefits provided for medical and surgical**

1 services.

2 (b) For all other employees and dependents, the same benefits provided
3 to state employees and their dependents by the office of group benefits, which
4 currently consist of the following combined benefits for the treatment of mental
5 illness, alcoholism and drug abuse:

6 (a) Inpatient benefits:

7 (i) Forty-five inpatient days per year,

8 (ii) Insured copay of fifty dollars per day for the first five days of
9 inpatient care.

10 (iii) Eighty percent of contracted healthcare provider reimbursement
11 rates after satisfaction by insured of an annual two hundred dollar deductible.

12 (b) Outpatient benefits:

13 (i) Fifty-two outpatient visits per year; and

14 (ii) Eighty percent of contracted healthcare provider reimbursement
15 rates after satisfaction by insured of an annual two hundred dollar deductible.

16 ~~B. The provisions of this Section shall apply to all policies issued or renewed~~
17 ~~or issued for delivery in this state after September 1, 1997. Any insurer who, on~~
18 ~~September 1, 1997, has health and accident insurance policies or health maintenance~~
19 ~~organization subscriber agreements in force in this state shall have until September~~
20 ~~1, 1998, to convert such existing policies to conform to the provisions of this~~
21 ~~Section.~~

22 B.(1) The provisions of Paragraph A(2) of this Section shall become
23 effective only upon enactment of an income tax credit equal to the additional
24 premium to be charged for the required benefits; however, no income tax credit
25 shall be more than one and one-half percent of the total premium charged for
26 such policy.

27 (2) As long as its business practices and those of any contractor are
28 consistent with the provisions of R.S. 22:3071 through 3092, a health insurance
29 issuer administering the benefits provided pursuant to this Section may perform

1 or arrange for management of quality and cost of mental illness, alcoholism and
2 drug abuse services, utilizing approaches standard in the health benefits
3 industry as well as approaches designed specifically for such services, including
4 but not limited to referral management, authorization and monitoring of
5 treatment plans, pre-admission certification, concurrent review and case
6 management.

7 (3) An insurer may provide coverage for all or part of the substance
8 abuse related services required by this Section through a specialized health care
9 service plan or a behavioral health plan.

10 (4) If, for any health benefit plan renewal period, the premium associated
11 with the benefits described in Paragraph A(2) of this Section is determined by
12 the health insurance issuer to exceed one and one-half percent of the total
13 premium, an employer may choose not to provide the required benefits.

14 (5) As used in this Section, the "insurance parity group" is hereby
15 created and shall be composed of a representative from the following
16 organizations:

17 (a) The National Alliance on Mental Illness.

18 (b) The Louisiana Association of Business and Industry.

19 (c) The Blue Cross/Blue Shield of Louisiana.

20 (d) The Louisiana Association of Health Plans.

21 (e) The University of Louisiana Lafayette Center for Child Development
22 Picard Center.

23 (f) The Louisiana Chapter of the National Federation of Independent
24 Businesses.

25 (g) The Louisiana State Medical Society.

26 (h) The Louisiana Association of Medical Psychologists.

27 (i) The Louisiana Association of Board Certified Social Workers.

28 (j) The Louisiana Association of Non-Profit Organizations.

29 (k) The Louisiana Psychiatric Medical Association.

1 **(l) The Extra Mile, Southeast, Louisiana.**

2 **(m) The Louisiana Department of Insurance.**

3 **(n) The Louisiana Association of Marriage and Family Therapy.**

4 **(6) Subject to funds being appropriated by the legislature to implement**
 5 **the provisions of this Paragraph, the Insurance Parity Group shall ensure the**
 6 **completion of an independent actuarial analysis of the cost of benefits for**
 7 **treatment of mental illness, alcoholism and drug abuse provided in this Section**
 8 **and the effect of such benefits on total benefit costs incurred by employees and**
 9 **dependents covered by benefits provided by employers with fewer than fifty**
 10 **employees. A report on the actuarial analysis shall be provided to the**
 11 **legislature no later than February 28, 2013.**

12 **(7) The provisions of this Subsection shall become null and void on**
 13 **December 31, 2013.**

14 **C. The provisions of this Section shall not apply to individually**
 15 **underwritten, guaranteed renewable limited benefit health policies authorized**
 16 **to be issued in this state.**

17 B: **D.** The provisions of this Section shall apply to all policies issued or
 18 renewed or issued for delivery in this state After September 1, ~~1997~~ **2008**. Any
 19 insurer who, on September 1, ~~1997~~ **2008** has health and accident insurance policies
 20 or health maintenance organization subscriber agreements in force in this state shall
 21 have until September 1, ~~1998~~ **2009**, to convert such existing policies to conform to
 22 the provisions of this Section.

The original instrument and the following digest, which does not constitute
 a part of the legislative instrument, was prepared by Cheryl Horne.

DIGEST

Cassidy (SB 535)

Present law provides that group, blanket, or association health insurance employee group and association health and accident policies shall include as an option to be exercised by the policyholder, the treatment of alcoholism and for the treatment of drug abuse, rendered or prescribed by a physician licensed in this state, received in any licensed hospital or in any other public or private facility, or portion thereof duly authorized by the appropriate state authority to provide alcoholism or drug abuse treatment and rehabilitation services, including freestanding, nonhospital chemical dependency units.

Proposed law requires a healthcare provider to meet a health insurance issuer's contracting and credentialing requirements in order for a policyholder or covered dependent to be eligible for in-network benefits and for a healthcare provider to be reimbursed directly by a health insurance issuer.

Proposed law retains present law and beginning on January 1, 2010, requires any group, blanket or association health insurance policy issued to an employer with fewer than 50 employees to include coverage for the treatment of mental illness, alcoholism and drug abuse. Requires coverage to be provided by a physician, clinical psychologist, clinical social worker, addiction counselor, a marriage and family therapist or public or private facility authorized by the state.

Proposed law requires the benefits to include, for employees and dependents enrolled in federally qualified high-deductible health plans, the same benefits provided for medical and surgical services. Proposed law requires the benefits to include, at a minimum, the same benefits provided to state employees by the Office of Group benefits which include inpatient and outpatient benefits and a \$200 deductible for all other employees and dependents.

Proposed law provides that upon enactment of an income tax credit equal to the additional premium to be charged for benefits required under the following provisions of proposed law, every group, blanket, or association health insurance policy shall include coverage for benefits required under the following provisions of proposed law:

- (1) Provides that health insurance issuer administering the benefits may perform or arrange for management of quality and cost of mental illness, alcoholism and drug abuse services, utilizing approaches standard in the health benefits industry as well as approaches designed specifically for such services, including but not limited to referral management, authorization and monitoring of treatment plans, pre-admission certification, concurrent review and case management.
- (2) Authorizes an insurer to provide coverage for substance abuse related services through a specialized health care service plan or a behavioral health plan.
- (3) Provides that any increase in the premium on a policy issued pursuant to proposed law not exceed 1.5% of the total premium charged for the policy for the previous year. Provides that if the total additional premium exceeds this 1.5%, then the employer may choose not to provide the coverage required under proposed law.
- (4) Creates an "insurance parity group" composed of various representatives from enumerated organizations. Provides that the group ensure completion of an independent actuarial analysis of the cost of benefits for treatment of mental illness, alcoholism and drug abuse provided proposed law and the effect of these benefits on total benefit costs incurred by employees and dependents covered by benefits provided by employers with fewer than fifty employees. Requires that a report on this actuarial analysis be provided to the legislature no later than February 28, 2013.

Proposed law applies to policies issued or renewed or issued for delivery in this state after September 1, 2008. Provides that any insurer who, on September 1, 2008 has health and accident insurance policies or health maintenance organization subscriber agreements in force in this state shall have until September 1, 2009, to convert such existing policies to conform to the provisions in proposed law.

Effective August 15, 2008.

(Amends R.S. 22:215.5)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill.

1. Clarifies that in order for a policyholder or covered dependent to be eligible for in-network benefits and for a healthcare provider to be reimbursed directly by a health insurance issuer, such healthcare provider must meet a health insurance issuer's contracting and credentialing requirements.
2. Includes a marriage and family therapist as one of the accepted providers of treatment.