



General Assembly

Substitute Bill No. 7125

January Session, 2019



**AN ACT CONCERNING MENTAL HEALTH AND SUBSTANCE USE
DISORDER BENEFITS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2019*) (a) For the purposes of
2 this section:

3 (1) "Health carrier" has the same meaning as provided in section
4 38a-1080 of the general statutes;

5 (2) "Mental health and substance use disorder benefits" means all
6 benefits for the treatment of a mental health condition or a substance
7 use disorder that (A) falls under one or more of the diagnostic
8 categories listed in the chapter concerning mental disorders in the
9 most recent edition of the International Classification of Diseases, or
10 (B) is a mental disorder, as that term is defined in the most recent
11 edition of the American Psychiatric Association's "Diagnostic and
12 Statistical Manual of Mental Disorders"; and

13 (3) "Nonquantitative treatment limitation" means a limitation that
14 cannot be expressed numerically but otherwise limits the scope or
15 duration of a covered benefit.

16 (b) Not later than March 1, 2021, and annually thereafter, each
17 health carrier shall submit a report to the Insurance Commissioner, in a

18 form and manner prescribed by the commissioner, containing the
19 following information for the calendar year immediately preceding:

20 (1) A description of the processes that such health carrier used to
21 develop and select criteria to assess the medical necessity of (A) mental
22 health and substance use disorder benefits, and (B) medical and
23 surgical benefits;

24 (2) A description of all nonquantitative treatment limitations that
25 such health carrier applied to (A) mental health and substance use
26 disorder benefits, and (B) medical and surgical benefits; and

27 (3) The results of an analysis concerning the processes, strategies,
28 evidentiary standards and other factors that such health carrier used in
29 developing and applying the criteria described in subdivision (1) of
30 this subsection and each nonquantitative treatment limitation
31 described in subdivision (2) of this subsection, provided the
32 commissioner shall not disclose such results in a manner that is likely
33 to compromise the financial, competitive or proprietary nature of such
34 results. The results of such analysis shall, at a minimum:

35 (A) Disclose each factor that such health carrier considered,
36 regardless of whether such health carrier rejected such factor, in (i)
37 designing each nonquantitative treatment limitation described in
38 subdivision (2) of this subsection, and (ii) determining whether to
39 apply such nonquantitative treatment limitation;

40 (B) Disclose any and all evidentiary standards, which standards
41 may be qualitative or quantitative in nature, applied under a factor
42 described in subparagraph (A) of this subdivision, and, if no
43 evidentiary standard is applied under such a factor, a clear description
44 of such factor;

45 (C) Provide the comparative analyses, including the results of such
46 analyses, performed to determine that the processes and strategies
47 used to design each nonquantitative treatment limitation, as written,
48 and the processes and strategies used to apply such nonquantitative

49 treatment limitation, as written, to mental health and substance use
50 disorder benefits are comparable to, and applied no more stringently
51 than, the processes and strategies used to design each nonquantitative
52 treatment limitation, as written, and the processes and strategies used
53 to apply such nonquantitative treatment limitation, as written, to
54 medical and surgical benefits;

55 (D) Provide the comparative analyses, including the results of such
56 analyses, performed to determine that the processes and strategies
57 used to apply each nonquantitative treatment limitation, in operation,
58 to mental health and substance use disorder benefits are comparable
59 to, and applied no more stringently than, the processes and strategies
60 used to apply each nonquantitative treatment limitation, in operation,
61 to medical and surgical benefits; and

62 (E) Disclose information that, in the opinion of the Insurance
63 Commissioner, is sufficient to demonstrate that such health carrier (i)
64 equally applied each nonquantitative treatment limitation described in
65 subdivision (2) of this subsection to (I) mental health and substance
66 use disorder benefits, and (II) medical and surgical benefits, and (ii)
67 complied with (I) sections 2 and 3 of this act, (II) sections 38a-488a and
68 38a-514 of the general statutes, and (III) the Paul Wellstone and Pete
69 Domenici Mental Health Parity and Addiction Equity Act of 2008, P.L.
70 110-343, as amended from time to time, and regulations adopted
71 thereunder.

72 (c) Not later than March 15, 2021, and annually thereafter, the
73 Insurance Commissioner shall submit each report that the
74 commissioner received pursuant to subsection (b) of this section for the
75 calendar year immediately preceding to:

76 (1) The joint standing committee of the General Assembly having
77 cognizance of matters relating to insurance, in accordance with section
78 11-4a of the general statutes; and

79 (2) The Attorney General, Healthcare Advocate and executive

80 director of the Office of Health Strategy.

81 (d) Not later than April 1, 2021, and annually thereafter, the joint
82 standing committee of the General Assembly having cognizance of
83 matters relating to insurance shall hold a public hearing concerning the
84 reports that such committee received pursuant to subsection (c) of this
85 section for the calendar year immediately preceding. The Insurance
86 Commissioner, or the commissioner's designee, shall attend the public
87 hearing and inform the committee whether, in the commissioner's
88 opinion, each health carrier, for the calendar year immediately
89 preceding, (1) submitted a report pursuant to subsection (b) of this
90 section that satisfies the requirements established in said subsection,
91 and (2) complied with (A) sections 2 and 3 of this act, (B) sections 38a-
92 488a and 38a-514 of the general statutes, and (C) the Paul Wellstone
93 and Pete Domenici Mental Health Parity and Addiction Equity Act of
94 2008, P.L. 110-343, as amended from time to time, and regulations
95 adopted thereunder.

96 (e) The Insurance Commissioner may adopt regulations, in
97 accordance with chapter 54 of the general statutes, to implement the
98 provisions of this section.

99 Sec. 2. (NEW) (*Effective January 1, 2020*) No individual health
100 insurance policy providing coverage of the type specified in
101 subdivisions (1), (2), (4), (11) and (12) of section 38a-469 of the general
102 statutes delivered, issued for delivery, renewed, amended or
103 continued in this state on or after January 1, 2020, shall apply a
104 nonquantitative treatment limitation to mental health and substance
105 use disorder benefits unless such policy also applies the
106 nonquantitative treatment limitation to medical and surgical benefits.
107 For the purposes of this section, "nonquantitative treatment limitation"
108 and "mental health and substance use disorder benefits" have the same
109 meaning as provided in section 1 of this act.

110 Sec. 3. (NEW) (*Effective January 1, 2020*) No group health insurance
111 policy providing coverage of the type specified in subdivisions (1), (2),

112 (4), (11) and (12) of section 38a-469 of the general statutes delivered,
113 issued for delivery, renewed, amended or continued in this state on or
114 after January 1, 2020, shall apply a nonquantitative treatment
115 limitation to mental health and substance use disorder benefits unless
116 such policy also applies the nonquantitative treatment limitation to
117 medical and surgical benefits. For the purposes of this section,
118 "nonquantitative treatment limitation" and "mental health and
119 substance use disorder benefits" have the same meaning as provided in
120 section 1 of this act.

121 Sec. 4. (NEW) (*Effective January 1, 2020*) (a) Each individual health
122 insurance policy providing coverage of the type specified in
123 subdivisions (1), (2), (4), (11), (12) and (16) of section 38a-469 of the
124 general statutes delivered, issued for delivery, renewed, amended or
125 continued in this state on or after January 1, 2020, that provides
126 coverage for prescription drugs shall provide coverage for each
127 prescription drug that is prescribed to an individual covered under
128 such policy for the treatment of a substance use disorder, provided use
129 of such drug for such treatment is in compliance with approved
130 federal Food and Drug Administration indications.

131 (b) If an individual health insurance policy described in subsection
132 (a) of this section includes multiple cost-sharing tiers for prescription
133 drugs, the policy shall place each prescription drug that such policy is
134 required to cover pursuant to said subsection in such policy's lowest
135 cost-sharing tier for prescription drugs.

136 (c) No individual health insurance policy described in subsection (a)
137 of this section shall refuse to cover a prescription drug that such policy
138 is required to cover pursuant to said subsection solely because such
139 drug was prescribed pursuant to an order issued by a court of
140 competent jurisdiction.

141 Sec. 5. (NEW) (*Effective January 1, 2020*) (a) Each group health
142 insurance policy providing coverage of the type specified in
143 subdivisions (1), (2), (4), (11), (12) and (16) of section 38a-469 of the

144 general statutes delivered, issued for delivery, renewed, amended or
145 continued in this state on or after January 1, 2020, that provides
146 coverage for prescription drugs shall provide coverage for each
147 prescription drug that is prescribed to an individual covered under
148 such policy for the treatment of a substance use disorder, provided use
149 of such drug for such treatment is in compliance with approved
150 federal Food and Drug Administration indications.

151 (b) If a group health insurance policy described in subsection (a) of
152 this section includes multiple cost-sharing tiers for prescription drugs,
153 the policy shall place each prescription drug that such policy is
154 required to cover pursuant to said subsection in such policy's lowest
155 cost-sharing tier for prescription drugs.

156 (c) No group health insurance policy described in subsection (a) of
157 this section shall refuse to cover a prescription drug that such policy is
158 required to cover pursuant to said subsection solely because such drug
159 was prescribed pursuant to an order issued by a court of competent
160 jurisdiction.

161 Sec. 6. (NEW) (*Effective January 1, 2020*) No individual health
162 insurance policy providing coverage of the type specified in
163 subdivisions (1), (2), (4), (11) and (12) of section 38a-469 of the general
164 statutes that is delivered, issued for delivery, renewed, amended or
165 continued in this state on or after January 1, 2020, shall deny coverage
166 for covered substance abuse services solely because such substance
167 abuse services were provided pursuant to an order issued by a court of
168 competent jurisdiction.

169 Sec. 7. (NEW) (*Effective January 1, 2020*) No group health insurance
170 policy providing coverage of the type specified in subdivisions (1), (2),
171 (4), (11) and (12) of section 38a-469 of the general statutes that is
172 delivered, issued for delivery, renewed, amended or continued in this
173 state on or after January 1, 2020, shall deny coverage for covered
174 substance abuse services solely because such substance abuse services
175 were provided pursuant to an order issued by a court of competent

176 jurisdiction.

177 Sec. 8. Subsection (a) of section 38a-510 of the general statutes is
178 repealed and the following is substituted in lieu thereof (*Effective*
179 *January 1, 2020*):

180 (a) No insurance company, hospital service corporation, medical
181 service corporation, health care center or other entity delivering,
182 issuing for delivery, renewing, amending or continuing an individual
183 health insurance policy or contract that provides coverage for
184 prescription drugs may:

185 (1) Require any person covered under such policy or contract to
186 obtain prescription drugs from a mail order pharmacy as a condition
187 of obtaining benefits for such drugs; or

188 (2) Require, if such insurance company, hospital service corporation,
189 medical service corporation, health care center or other entity uses step
190 therapy for such drugs, the use of step therapy for (A) any prescribed
191 drug for longer than sixty days, or (B) a prescribed drug for cancer
192 treatment for an insured who has been diagnosed with stage IV
193 metastatic cancer, or a prescribed drug for the treatment of a substance
194 use disorder, provided such prescribed drug is in compliance with
195 approved federal Food and Drug Administration indications.

196 (3) At the expiration of the time period specified in subparagraph
197 (A) of subdivision (2) of this subsection or for a prescribed drug
198 described in subparagraph (B) of subdivision (2) of this subsection, an
199 insured's treating health care provider may deem such step therapy
200 drug regimen clinically ineffective for the insured, at which time the
201 insurance company, hospital service corporation, medical service
202 corporation, health care center or other entity shall authorize
203 dispensation of and coverage for the drug prescribed by the insured's
204 treating health care provider, provided such drug is a covered drug
205 under such policy or contract. If such provider does not deem such
206 step therapy drug regimen clinically ineffective or has not requested

207 an override pursuant to subdivision (1) of subsection (b) of this section,
208 such drug regimen may be continued. For purposes of this section,
209 "step therapy" means a protocol or program that establishes the
210 specific sequence in which prescription drugs for a specified medical
211 condition are to be prescribed.

212 Sec. 9. Subsection (a) of section 38a-544 of the general statutes is
213 repealed and the following is substituted in lieu thereof (*Effective*
214 *January 1, 2020*):

215 (a) No insurance company, hospital service corporation, medical
216 service corporation, health care center or other entity delivering,
217 issuing for delivery, renewing, amending or continuing a group health
218 insurance policy or contract that provides coverage for prescription
219 drugs may:

220 (1) Require any person covered under such policy or contract to
221 obtain prescription drugs from a mail order pharmacy as a condition
222 of obtaining benefits for such drugs; or

223 (2) Require, if such insurance company, hospital service corporation,
224 medical service corporation, health care center or other entity uses step
225 therapy for such drugs, the use of step therapy for (A) any prescribed
226 drug for longer than sixty days, or (B) a prescribed drug for cancer
227 treatment for an insured who has been diagnosed with stage IV
228 metastatic cancer, or a prescribed drug for the treatment of a substance
229 use disorder, provided such prescribed drug is in compliance with
230 approved federal Food and Drug Administration indications.

231 (3) At the expiration of the time period specified in subparagraph
232 (A) of subdivision (2) of this subsection or for a prescribed drug
233 described in subparagraph (B) of subdivision (2) of this subsection, an
234 insured's treating health care provider may deem such step therapy
235 drug regimen clinically ineffective for the insured, at which time the
236 insurance company, hospital service corporation, medical service
237 corporation, health care center or other entity shall authorize

238 dispensation of and coverage for the drug prescribed by the insured's
239 treating health care provider, provided such drug is a covered drug
240 under such policy or contract. If such provider does not deem such
241 step therapy drug regimen clinically ineffective or has not requested
242 an override pursuant to subdivision (1) of subsection (b) of this section,
243 such drug regimen may be continued. For purposes of this section,
244 "step therapy" means a protocol or program that establishes the
245 specific sequence in which prescription drugs for a specified medical
246 condition are to be prescribed.

247 Sec. 10. Section 38a-510b of the general statutes is repealed and the
248 following is substituted in lieu thereof (*Effective January 1, 2020*):

249 No individual health insurance policy providing coverage of the
250 type specified in subdivisions (1), (2), (4), (11), (12) and (16) of section
251 38a-469 delivered, issued for delivery, renewed, amended or continued
252 in this state on or after January 1, 2020, that provides coverage for
253 prescription drugs [and includes on its formulary naloxone] shall
254 require prior authorization for the following drugs if such drugs are
255 included on the policy's formulary:

256 (1) Naloxone hydrochloride or any other similarly acting and
257 equally safe drug approved by the federal Food and Drug
258 Administration for the treatment of drug overdose; [shall require prior
259 authorization for such drug] and

260 (2) Any drug approved by the federal Food and Drug
261 Administration for the treatment of a substance use disorder.

262 Sec. 11. Section 38a-544b of the general statutes is repealed and the
263 following is substituted in lieu thereof (*Effective January 1, 2020*):

264 No group health insurance policy providing coverage of the type
265 specified in subdivisions (1), (2), (4), (11), (12) and (16) of section 38a-
266 469 delivered, issued for delivery, renewed, amended or continued in
267 this state on or after January 1, 2020, that provides coverage for
268 prescription drugs [and includes on its formulary naloxone] shall

269 require prior authorization for the following drugs if such drugs are
270 included on the policy's formulary:

271 (1) Naloxone hydrochloride or any other similarly acting and
272 equally safe drug approved by the federal Food and Drug
273 Administration for the treatment of drug overdose; [shall require prior
274 authorization for such drug.] and

275 (2) Any drug approved by the federal Food and Drug
276 Administration for the treatment of a substance use disorder.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2019	New section
Sec. 2	January 1, 2020	New section
Sec. 3	January 1, 2020	New section
Sec. 4	January 1, 2020	New section
Sec. 5	January 1, 2020	New section
Sec. 6	January 1, 2020	New section
Sec. 7	January 1, 2020	New section
Sec. 8	January 1, 2020	38a-510(a)
Sec. 9	January 1, 2020	38a-544(a)
Sec. 10	January 1, 2020	38a-510b
Sec. 11	January 1, 2020	38a-544b

INS Joint Favorable Subst.

APP Joint Favorable