

2014 -- S 2701

=====
LC004743
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

—————
A N A C T

RELATING TO INSURANCE -- INSURANCE COVERAGE FOR MENTAL ILLNESS AND
SUBSTANCE ABUSE

Introduced By: Senators Cool Rumsey, Miller, Jabour, Sosnowski, and Ottiano

Date Introduced: March 05, 2014

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 27-38.2-1, 27-38.2-2 and 27-38.2-3 of the General Laws in
2 Chapter 27-38.2 entitled "Insurance Coverage for Mental Illness and Substance Abuse" are
3 hereby amended to read as follows:

4 **27-38.2-1. Mental illness coverage.** -- Every health care insurer that delivers or issues
5 for delivery or renews in this state a contract, plan, or policy except contracts providing
6 supplemental coverage to Medicare or other governmental programs, ~~shall provide coverage for~~
7 ~~the medical treatment of mental illness and substance abuse under the same terms and conditions~~
8 ~~as that coverage is provided for other illnesses and diseases. Insurance coverage offered pursuant~~
9 ~~to this statute must include the same durational limits, amount limits, deductibles, and co-~~
10 ~~insurance factors for mental illness as for other illnesses and diseases.~~ shall provide equivalent
11 health benefits for addiction and behavioral health care and surgical services, including a primary
12 care practitioner's diagnosis of mental health or a substance abuse disorder, and the associated
13 coverage of any medication or therapy for treatment of the disorder in a prescription drug
14 formulary. Every health care insurer covered by this chapter shall also be prohibited from
15 imposing separate or more restrictive financial requirements or treatment limitations on mental
16 health and substance abuse disorder benefits than those they imposed on other general medical
17 benefits for the individual policy holders, enrollees, subscribers, or members for policies subject
18 to federal MHPAEA and all provisions of this chapter.

1 **27-38.2-2. Definitions.** -- For the purposes of this chapter, the following words and terms
2 have the following meanings:

3 (1) "Health insurers" means all persons, firms, corporations, or other organizations
4 offering and assuring health services on a prepaid or primarily expense-incurred basis, including
5 but not limited to policies of accident or sickness insurance, as defined by chapter 18 of this title,
6 nonprofit hospital or medical service plans, whether organized under chapter 19 or 20 of this title
7 or under any public law or by special act of the general assembly, health maintenance
8 organizations, or any other entity which insures or reimburses for diagnostic, therapeutic, or
9 preventive services to a determined population on the basis of a periodic premium. Provided, this
10 chapter does not apply to insurance coverage providing benefits for:

- 11 (i) Hospital confinement indemnity;
- 12 (ii) Disability income;
- 13 (iii) Accident only;
- 14 (iv) Long-term care;
- 15 (v) Medicare supplement;
- 16 (vi) Limited benefit health;
- 17 (vii) Specific disease indemnity;
- 18 (viii) Sickness or bodily injury or death by accident or both; and
- 19 (ix) Other limited benefit policies.

20 (2) "Mental illness" means any mental disorder and substance abuse disorder that is
21 listed in the most recent revised publication or the most updated volume of either the Diagnostic
22 and Statistical Manual of Mental Disorders (DSM) published by the American Psychiatric
23 Association or the International Classification of Disease Manual (ICO) published by the World
24 Health Organization and that substantially limits the life activities of the person with the illness;
25 provided, that tobacco and caffeine are excluded from the definition of "substance" for the
26 purposes of this chapter. "Mental illness" shall not include: (i) mental retardation, (ii) learning
27 disorders, (iii) motor skills disorders, (iv) communication disorders, and (v) mental disorders
28 classified as "V" codes. Nothing shall preclude persons with these conditions from receiving
29 benefits provided under this chapter for any other diagnoses covered by this chapter.

30 (3) "Mental illness coverage" means inpatient hospitalization, partial hospitalization
31 provided in a hospital or any other licensed facility, intensive out patient services, outpatient
32 services and community residential care services for substance abuse treatment. It shall not
33 include methadone maintenance services or community residential care services for mental
34 illnesses other than substance abuse disorders.

1 (4) "Outpatient services" means office visits that provide for the treatment of mental
2 illness and substance abuse.

3 (5) "Community residential care services" mean those facilities as defined and licensed
4 in accordance with chapter 24 of title 40.1.

5 (6) "MHPAEA" means the Paul Wellstone and Pete Domenici Mental Health Parity and
6 Addition Equity Act of 2008 section 511 of Pub. L. 110-343 and all subsequent rules and
7 regulations.

8 **27-38.2-3. Medical necessity and appropriateness of treatment.** -- (a) Upon request of
9 the reimbursing health insurers, all providers of treatment of mental illness shall furnish medical
10 records or other necessary data which substantiates that initial or continued treatment is at all
11 times medically necessary and appropriate. When the provider cannot establish the medical
12 necessity and/or appropriateness of the treatment modality being provided, neither the health
13 insurer nor the patient shall be obligated to reimburse for that period or type of care that was not
14 established. The exception to the preceding can only be made if the patient has been informed of
15 the provisions of this subsection and has agreed in writing to continue to receive treatment at his
16 or her own expense.

17 (b) The health insurers, when making the determination of medically necessary and
18 appropriate treatment, must do so in a manner consistent with that used to make the determination
19 for the treatment of other diseases or injuries covered under the health insurance policy or
20 agreement and shall use medical management standards that are comparable to and applied no
21 more stringently than the standards used to determine medical necessity for other medical and
22 surgical services and/or procedures.

23 (c) Any subscriber who is aggrieved by a denial of benefits provided under this chapter
24 may appeal a denial in accordance with the rules and regulations promulgated by the department
25 of health pursuant to chapter 17.12 of title 23.

26 SECTION 2. This act shall take effect upon passage.

=====
LC004743
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO INSURANCE -- INSURANCE COVERAGE FOR MENTAL ILLNESS AND
SUBSTANCE ABUSE

1 This act would specify the nature and extent of the health benefits for addictive and
2 behavioral healthcare and surgical services that health insurers must offer in their health
3 insurance policies relating to a diagnosis of mental health or substance abuse disorders in order to
4 make these benefits equivalent to those benefits offered for general medical benefits.

5 This act would take effect upon passage.

=====
LC004743
=====