

HOUSE BILL No. 1108

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10-8-9; IC 12-17-18-18; IC 27-8-5-15.6; IC 27-8-5-15.7; IC 27-13-7-14.8.

Synopsis: Mental health insurance parity. Removes the September 29, 2001, expiration date of a provision stating that if a health coverage plan offers mental illness benefits, the coverage of services for mental illness must have similar treatment limitations or financial requirements as other medical conditions. Provides an exemption from compliance with this provision if compliance would increase the annual premium or rates charged for the policy or health maintenance organization contract by more than four percent per year. (The introduced version of this bill was prepared by the Indiana Commission on Mental Health.)

Effective: July 1, 1999.

Crosby, Goeglein

January 6, 1999, read first time and referred to Committee on Public Health.

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Introduced

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

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HOUSE BILL No. 1108



A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-10-8-9 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 1999]: Sec. 9. (a) ~~This section does not apply~~
3 ~~to benefits for services furnished after September 29, 2001.~~
4 (b) This section does not apply if the application of this section
5 would increase the premiums of the health services policy or plan, **as**
6 **certified by the department of insurance under IC 27-8-5-15.7**, by
7 more than ~~one percent (1%)~~ **four percent (4%)** as a result of
8 complying with subsection (d): (c).
9 (e) (b) As used in this section, "coverage for services for mental
10 illness" includes benefits with respect to mental health services as
11 defined by the contract, policy, or plan for health services. However,
12 the term does not include services for the treatment of substance abuse
13 or chemical dependency.
14 (d) (c) If the state enters into a contract for health services through
15 prepaid health care delivery plans, medical self-insurance, or group
16 health insurance for state employees, the contract may not permit
17 treatment limitations or financial requirements on the coverage of



1 services for mental illness if similar limitations or requirements are not
 2 imposed on **the** coverage of services for other **medical or surgical**
 3 conditions.

4 ~~(e)~~ **(d)** This section applies to a contract for health services through
 5 prepaid health care delivery plans, medical self-insurance, or group
 6 medical coverage for state employees that is issued, entered into, or
 7 renewed after June 30, 1997.

8 ~~(f)~~ **(e)** This section does not require the contract for health services
 9 to offer mental health benefits.

10 SECTION 2. IC 12-17-18-18 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 18. (a) As used in this
 12 section, "physicians' services" has the meaning set forth in 42 U.S.C.
 13 1395x(q) and (r).

14 (b) The office shall offer health insurance coverage for the following
 15 basic services:

- 16 (1) Inpatient and outpatient hospital services.
- 17 (2) Physicians' services.
- 18 (3) Laboratory and x-ray services.
- 19 (4) Well-baby and well-child care, including age appropriate
 20 immunizations.

21 (c) The office shall offer health insurance coverage for the following
 22 additional services if the coverage for the services has an actuarial
 23 value equal to the actuarial value of the services provided by the
 24 benchmark program for the following:

- 25 (1) Prescription drugs.
- 26 (2) Mental health services.
- 27 (3) Vision services.
- 28 (4) Hearing services.
- 29 (5) Dental services.

30 (d) Notwithstanding subsections (b) and (c), the office shall offer
 31 health insurance coverage for the same services provided under the
 32 early and periodic screening, diagnosis, and treatment program
 33 (EPSDT) under IC 12-15.

34 (e) Notwithstanding subsections (b), (c), and (d), the office may not
 35 impose treatment limitations or financial requirements on the coverage
 36 of services for a mental illness if similar treatment limitations or
 37 financial requirements are not imposed on **the coverage for of** services
 38 for other ~~illnesses~~: **medical or surgical conditions**.

39 SECTION 3. IC 27-8-5-15.6 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 15.6. (a) ~~This section~~
 41 ~~does not apply to benefits for services furnished after September 29,~~
 42 ~~2001.~~



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1 ~~(b)~~ As used in this section, "aggregate lifetime limits" means a
2 dollar limitation on the total amount that may be paid for services for
3 a mental illness.

4 ~~(c)~~ As used in this section, "annual limits" means a dollar limitation
5 on the total amount that may be paid for services for a mental illness in
6 a twelve ~~(12)~~ month period.

7 ~~(d)~~ As used in this section, "coverage of services for a mental
8 illness" includes the services defined under the policy of accident and
9 sickness insurance (as defined in IC 27-8-5-1). However, the term does
10 not include services for the treatment of substance abuse or chemical
11 dependency.

12 ~~(e)~~ **(b)** This section applies to a policy of accident and sickness
13 insurance (as defined in IC 27-8-5-1) that:

- 14 (1) is issued on an individual basis or a group basis; and
15 (2) is issued, entered into, or renewed after June 30, 1998.

16 ~~(f)~~ **(c)** This section does not apply to the following:

- 17 (1) Except for an employee benefit program under IC 5-10-8, an
18 employee benefit program that is subject to the federal Employee
19 Retirement Income Security Act (29 U.S.C. 1001 et seq.).

20 (2) A group or individual insurance policy or agreement offered
21 or sold to:

- 22 (A) an individual;
23 (B) an association; or
24 (C) a legal business entity that employs less than fifty (50)
25 full-time employees.

26 ~~(3) an individual, an association, or A policy offered or sold to~~
27 ~~a legal business entity whose premiums would increase more than~~
28 ~~one percent ~~(1%)~~ four percent **(4%)**, as certified by the~~
29 ~~department of insurance under IC 27-8-5-15.7, solely as a~~
30 ~~result of complying with subsection ~~(g)~~: **(d)**.~~

31 ~~(g)~~ **(d)** A group or individual insurance policy or agreement may not
32 ~~impose aggregate lifetime limits or annual limits permit treatment~~
33 ~~limitations or financial requirements~~ on the coverage of services for
34 a mental illness if similar limitations or requirements are not imposed
35 on **the** coverage of services for other **medical or surgical** conditions.

36 ~~(h)~~ **(e)** This section does not require a group or individual insurance
37 policy or agreement to offer mental health benefits.

38 SECTION 4. IC 27-8-5-15.7 IS ADDED TO THE INDIANA CODE
39 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
40 1, 1999]: **Sec. 15.7. An insurer or health maintenance organization**
41 **may apply for exemption under IC 5-10-8-9, section 15.6 of this**
42 **chapter, or IC 27-13-7-14.8 by demonstrating to the department of**



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1 insurance that compliance with the requirements of IC 5-10-8-9(c),
 2 section 15.6(d) of this chapter, or IC 27-13-7-14.8(d) would
 3 increase the annual premium or rates charged for the policy or
 4 health maintenance organization contract by more than four
 5 percent (4%) per year. The department shall require an applicant
 6 under this section to submit written documentation of actual
 7 mental health claims incurred for a period of not less than six (6)
 8 months to substantiate the applicant's assertion of increased claims
 9 and administrative costs.

10 SECTION 5. IC 27-13-7-14.8 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 14.8. (a) ~~This section~~
 12 ~~does not apply to benefits for services furnished after September 29,~~
 13 ~~2001.~~

14 (b) As used in this section, "aggregate lifetime limits" means a
 15 dollar limitation on the total amount that may be paid for services for
 16 a mental illness.

17 (c) As used in this section, "annual limits" means a dollar limitation
 18 on the total amount that may be paid for services for a mental illness in
 19 a twelve (12) month period.

20 (d) As used in this section, "coverage of services for a mental
 21 illness" includes the services defined under the contract with the health
 22 maintenance organization. However, the term does not include services
 23 for the treatment of substance abuse or chemical dependency.

24 (e) (b) This section applies to a group or individual contract with a
 25 health maintenance organization that is issued, entered into, or renewed
 26 after June 30, 1998.

27 (f) (c) This section does not apply to the following:

28 (1) Except for an employee benefit program under IC 5-10-8, an
 29 employee benefit program that is subject to the federal Employee
 30 Retirement Income Security Act (29 U.S.C. 1001 et seq.).

31 (2) A group or individual contract with a health maintenance
 32 organization offered or sold to:

33 (A) an individual;

34 (B) an association; or

35 (C) a legal business entity that employs less than fifty (50)
 36 full-time employees.

37 (3) ~~an individual, an association, or A contract entered into with~~
 38 ~~a legal business entity whose premiums would increase more than~~
 39 ~~one percent (1%) four percent (4%), as certified by the~~
 40 ~~department of insurance under IC 27-8-5-15.7, solely as a~~
 41 ~~result of complying with subsection (g): (d).~~

42 (g) (d) A group or individual contract with a health maintenance

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1 organization may not ~~impose aggregate lifetime limits or annual limits~~
2 **permit treatment limitations or financial requirements** on the
3 coverage of services for a mental illness if similar limitations or
4 requirements are not imposed on **the** coverage of services for other
5 **medical or surgical** conditions.
6 ~~(h)~~ **(e)** This section does not require a group or individual contract
7 with a health maintenance organization to offer mental health benefits.

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