

## ACT 121

S.B. NO. 844

A Bill for an Act Relating to Health Insurance.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 431M-1, Hawaii Revised Statutes, is amended by adding a new definition, to be appropriately inserted and to read as follows:

““Serious mental illness” means schizophrenia, schizo-affective disorder, and bipolar mood disorder, as defined in the most recent version of the Diagnostic and Statistical Manual of the American Psychiatric Association, which is of sufficient severity to result in substantial interference with the activities of daily living.”

SECTION 2. Section 431M-4, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) The covered benefit under this chapter shall not be less than thirty days of in-hospital services per year. Each day of in-hospital services may be exchanged for two days of nonhospital residential services, two days of partial hospitalization services, or two days of day treatment services. Visits to a physician, psychologist, clinical social worker, or advanced practice registered nurse with a psychiatric or mental health specialty or subspecialty shall not be less than thirty visits per year to hospital or nonhospital facilities or to mental health outpatient facilities for day treatment or partial hospitalization services. Each day of in-hospital services may also be exchanged for two outpatient visits under this chapter; provided that the

patient's condition is such that the outpatient services would reasonably preclude hospitalization. The total covered benefit for outpatient services in subsections (b) and (c) shall not be less than twenty-four visits per year; provided that coverage of twelve of the twenty-four outpatient visits shall apply only to the services under subsection (c). The other covered benefits under this chapter shall apply to any of the services in subsection (b) or (c). In the case of alcohol and drug dependence benefits, the insurance policy may limit the number of treatment episodes but may not limit the number to less than two treatment episodes per lifetime. Nothing in this section shall be construed to limit serious mental illness benefits."

SECTION 3. Section 431M-5, Hawaii Revised Statutes, is amended to read as follows:

**“[[§431M-5]] Nondiscrimination in deductibles, copayment plans, and other limitations on payment.** (a) Deductible or copayment plans may be applied to benefits paid to or on behalf of patients during the course of treatment as described in section 431M-4, but in any case the proportion of deductibles or copayments shall be not greater than those applied to comparable physical illnesses generally requiring a comparable level of care in each policy.

(b) Notwithstanding subsection (a), health maintenance organizations may establish reasonable provisions for enrollee cost-sharing so long as the amount the enrollee is required to pay does not exceed the amount of copayment and deductible customarily required by insurance policies which are subject to the provisions of this chapter for this type and level of service). Nothing in this chapter prevents health maintenance organizations from establishing durational limits which are actuarially equivalent to the benefits required by this chapter. Health maintenance organizations may limit the receipt of covered services by enrollees to services provided by or upon referral by providers associated with the health maintenance organization.

(c) A health insurance plan shall not impose rates, terms, or conditions including service limits and financial requirements, on serious mental illness benefits, if similar rates, terms, or conditions are not applied to services for other medical or surgical conditions. This subsection shall not apply to individual or group hospital or medical service plan contracts, and nonprofit mutual benefit association and health maintenance organization health plan contracts providing coverage to employers with twenty-five or fewer employees, and government employee health benefits plans under chapter 87; and provided further that this subsection shall not apply to QUEST medical plans under the department of human services until July 1, 2002."

SECTION 4. (a) There is established, within the department of health for administrative purposes only, the Hawaii mental health insurance task force to study the financial and social implications of mandated equal mental health and substance abuse insurance coverage in Hawaii.

(b) The task force shall be comprised of the following twenty-two members:

- (1) One member of the senate committee on health and human services appointed by the president of the senate;
- (2) One member of the house of representatives committee on health appointed by the speaker of the house of representatives;
- (3) One member from each of the following organizations and agencies appointed by the governor:
  - (A) Hawaii Medical Service Association;
  - (B) Kaiser Permanente Medical Care Program;
  - (C) Department of human services;
  - (D) Department of health;

- (E) Equal Insurance Coalition;
  - (F) NAMI, Oahu;
  - (G) Hawaii Psychological Association;
  - (H) Chamber of Commerce of Hawaii;
  - (I) Hawaii Psychiatric Medical Association;
  - (J) Hawaii Business Health Council;
  - (K) Hawaii Medical Association;
  - (L) Mental Health Association of Hawaii;
  - (M) National Federation of Independent Businesses;
  - (N) Hawaii Nurses' Association; and
  - (O) Hawaii Building and Trades Council;
- (4) The following members to be appointed by the task force:
- (A) Two members representing mental health consumers; and
  - (B) One member representing small business organizations in the state;
- (5) The insurance commissioner; and
- (6) One member representing the University of Hawaii school of public health, with expertise in biomedical statistics or economics.
- (c) The task force shall:
- (1) Investigate ways to define and quantify unmet mental health and substance abuse needs in the State, and shall analyze possible outcome data collection measures in order to meaningfully measure and describe:
    - (A) The efficacy of mental health and substance abuse treatment in the State; and
    - (B) Unmet mental health and substance abuse treatment needs;
  - (2) Describe mental health and substance abuse coverage in the State, including deductibles, copayments, and covered illnesses and conditions;
  - (3) Describe the relative costs of mental illness and substance abuse coverage, and other health coverage in the State;
  - (4) Describe mental health and substance abuse treatment utilization in the State by adults, adolescents, and children;
  - (5) Produce an analysis of the needs of individuals who have exhausted their mental health or substance abuse treatment benefits;
  - (6) Determine the effect of mandated serious mental illness benefits parity on mental health and substance abuse services consumers, affected health plans, businesses, and other concerned parties, including a review of the experience of health plans in providing the coverage, and an assessment of any impact on costs, services provided, and services utilization; and
  - (7) Develop treatment and utilization guidelines for severe, biologically-based mental illnesses in addition to those covered under this Act, including, but not limited to:
    - (A) Major depression;
    - (B) Obsessive compulsive disorders;
    - (C) Severe panic disorders;
    - (D) Autism and pervasive development disorders;
    - (E) Multiple personality disorder (disassociative disorder);
    - (F) Brain damage or dysfunction as defined by neuropsychological testing; and
    - (G) Other severe and disabling mental disorders such as severe anorexia, severe attention-deficit/hyperactivity disorder, and severe dyslexia.

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- (d) The task force shall perform its duties as follows:
- (1) The task force shall not utilize any moneys from the general fund to support its functions. Members shall serve without compensation;
  - (2) A simple majority of the members of the task force shall constitute a quorum for the transaction of business, and all actions of the task force shall require the affirmative vote of a majority of the members present;
  - (3) The task force may hold public hearings as frequently as deemed necessary and feasible to receive testimony on issues relative to the task force's investigation; and
  - (4) The task force may invite participants, including the auditor or the auditor's representative, as deemed necessary to effectuate its purposes.
- (e) The task force shall submit a report of its findings and recommendations to the speaker of the house of representatives, the president of the senate, and the governor no later than twenty days before the convening of the regular session of 2001, and shall be dissolved upon submittal of its report. Provided that the task force shall submit the report of its findings and recommendations concerning treatment and utilization guidelines as required under subsection (c)(7) of this section, to the speaker of the house of representatives, the president of the senate, and the governor no later than twenty days before the convening of the regular session of 2000.

SECTION 5. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 6. This Act shall take effect on July 1, 1999; provided that insurance, health, or service plan contracts subject to the terms of this Act and issued or renewed after December 31, 1999, shall be amended to be consistent with this Act; and provided that this Act shall be repealed on July 1, 2005.

(Approved June 25, 1999.)