

HOUSE BILL No. 1381

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10-8-9; IC 12-17.6-4-2; IC 27-8-5-15.6; IC 27-13-7-14.8.

Synopsis: Mental health insurance coverage. Includes services for substance abuse within the definition of "coverage of services for mental illness", for purposes of the law prohibiting the application of treatment limitations or financial requirements to coverage of services for mental illness if similar limitations or requirements do not apply to the coverage of services for other medical or surgical conditions. (The introduced version of this bill was prepared by the Indiana commission on mental health.)

Effective: July 1, 2001.

Crosby, Goeglein

January 11, 2001, read first time and referred to Committee on Insurance, Corporations and Small Business.

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First Regular Session 112th General Assembly (2001)

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 2000 General Assembly.

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HOUSE BILL No. 1381



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, AS AMENDED BY P.L.81-1999,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2001]: Sec. 9. (a) This section does not apply if the
4 application of this section would increase the premiums of the health
5 services policy or plan, as certified under IC 27-8-5-15.7, by more than
6 four percent (4%) as a result of complying with subsection (c).

7 (b) As used in this section, "coverage of services for mental illness"
8 includes benefits with respect to mental health services as defined by
9 the contract, policy, or plan for health services. ~~However,~~ The term
10 ~~does not include~~ **includes** services for the treatment of substance abuse
11 ~~or and~~ chemical dependency.

12 (c) If the state enters into a contract for health services through
13 prepaid health care delivery plans, medical self-insurance, or group
14 health insurance for state employees, the contract may not permit
15 treatment limitations or financial requirements on the coverage of
16 services for mental illness if similar limitations or requirements are not
17 imposed on the coverage of services for other medical or surgical



1 conditions.

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

6 (e) This section does not require the contract for health services to
7 offer mental health benefits.

8 SECTION 2. IC 12-17.6-4-2, AS ADDED BY P.L.273-1999,
9 SECTION 177, IS AMENDED TO READ AS FOLLOWS
10 [EFFECTIVE JULY 1, 2001]: Sec. 2. (a) The benefit package provided
11 under the program shall focus on age appropriate preventive, primary,
12 and acute care services.

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

- 15 (1) Inpatient and outpatient hospital services.
16 (2) Physicians' services provided by a physician (as defined in 42
17 U.S.C. 1395x(r)).
18 (3) Laboratory and x-ray services.
19 (4) Well-baby and well-child care, including:
20 (A) age appropriate immunizations; and
21 (B) periodic screening, diagnosis, and treatment services
22 according to a schedule developed by the office.

23 The office may offer services in addition to those listed in this
24 subsection if appropriations to the program exist to pay for the
25 additional services.

26 (c) The office shall offer health insurance coverage for the following
27 additional services if the coverage for the services has an actuarial
28 value equal to or greater than the actuarial value of the services
29 provided by the benchmark program determined by the children's
30 health policy board established by IC 4-23-27-2:

- 31 (1) Prescription drugs.
32 (2) Mental health services.
33 (3) Vision services.
34 (4) Hearing services.
35 (5) Dental services.

36 (d) Notwithstanding subsections (b) and (c), the office may not
37 impose treatment limitations or financial requirements on the coverage
38 of services for a mental illness, **including services for the treatment**
39 **of substance abuse and chemical dependency**, if similar treatment
40 limitations or financial requirements are not imposed on coverage for
41 services for other illnesses.

42 SECTION 3. IC 27-8-5-15.6, AS AMENDED BY P.L.81-1999,

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1 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2001]: Sec. 15.6. (a) As used in this section, "coverage of
3 services for a mental illness" includes the services defined under the
4 policy of accident and sickness insurance (as defined in IC 27-8-5-1).
5 ~~However,~~ The term ~~does not include~~ **includes** services for the treatment
6 of substance abuse ~~or~~ **and** chemical dependency.

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

- 9 (1) is issued on an individual basis or a group basis;
10 (2) is issued, entered into, or renewed after December 31, 1999;
11 and
12 (3) is issued to an employer that employs more than fifty (50)
13 full-time employees.

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

- 15 (1) An insurance policy listed under IC 27-8-15-9(b).
16 (2) A legal business entity that has obtained an exemption under
17 IC 27-8-5-15.7.

18 (d) A group or individual insurance policy or agreement may not
19 permit treatment limitations or financial requirements on the coverage
20 of services for a mental illness if similar limitations or requirements are
21 not imposed on the coverage of services for other medical or surgical
22 conditions.

23 (e) This section does not require a group or individual insurance
24 policy or agreement to offer mental health benefits.

25 (f) The benefits delivered under this section may be delivered under
26 a managed care system.

27 SECTION 4. IC 27-13-7-14.8, AS AMENDED BY P.L.81-1999,
28 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 JULY 1, 2001]: Sec. 14.8. (a) As used in this section, "coverage of
30 services for a mental illness" includes the services defined under the
31 contract with the health maintenance organization. ~~However,~~ The term
32 ~~does not include~~ **includes** services for the treatment of substance abuse
33 ~~or~~ **and** chemical dependency.

34 (b) This section applies to a group or individual contract with a
35 health maintenance organization that:

- 36 (1) is issued, entered into, or renewed after December 31, 1999;
37 and
38 (2) is issued to an employer that employs more than fifty (50)
39 full-time employees.

40 (c) This section does not apply to a legal business entity that has
41 obtained an exemption under IC 27-8-5-15.7.

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

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1 organization may not permit treatment limitations or financial
2 requirements on the coverage of services for a mental illness if similar
3 limitations or requirements are not imposed on the coverage of services
4 for other medical or surgical conditions.

5 (e) This section does not require a group or individual contract with
6 a health maintenance organization to offer mental health benefits.

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