

SECOND REGULAR SESSION

# SENATE BILL NO. 1098

99TH GENERAL ASSEMBLY

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INTRODUCED BY SENATOR SATER.

Read 1st time March 1, 2018, and ordered printed.

ADRIANE D. CROUSE, Secretary.

6797S.011

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## AN ACT

To repeal section 376.1550, RSMo, and to enact in lieu thereof one new section relating to insurance coverage for mental health conditions.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Section 376.1550, RSMo, is repealed and one new section  
2 enacted in lieu thereof, to be known as section 376.1550, to read as follows:

376.1550. 1. Notwithstanding any other provision of law to the contrary,  
2 each health carrier that offers or issues health benefit plans which are delivered,  
3 issued for delivery, continued, or renewed in this state on or after January 1,  
4 2005, shall provide coverage for a mental health condition, as defined in this  
5 section, and shall comply with the following provisions:

6 (1) A health benefit plan shall provide coverage for treatment of a mental  
7 health condition and shall not establish any rate, term, or condition that places  
8 a greater financial burden on an insured for access to treatment for a mental  
9 health condition than for access to treatment for a physical health condition. Any  
10 deductible or out-of-pocket limits required by a health carrier or health benefit  
11 plan shall be comprehensive for coverage of all health conditions, whether mental  
12 or physical;

13 (2) The coverages set forth **[is] in** this subsection:

14 (a) May be administered pursuant to a managed care program established  
15 by the health carrier; and

16 (b) May deliver covered services through a system of contractual  
17 arrangements with one or more providers, hospitals, nonresidential or residential  
18 treatment programs, or other mental health service delivery entities certified by  
19 the department of mental health, or accredited by a nationally recognized

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

20 organization, or licensed by the state of Missouri;

21 (3) A health benefit plan [that does not otherwise provide for management  
22 of care under the plan or that does not provide for the same degree of  
23 management of care for all health conditions] may provide coverage for treatment  
24 of mental health conditions through a managed care organization; provided that  
25 the managed care organization is in compliance with rules adopted by the  
26 department of insurance, financial institutions and professional registration that  
27 assure that the system for delivery of treatment for mental health conditions does  
28 not diminish or negate the purpose of this section. The rules adopted by the  
29 director shall assure that:

30 (a) Timely and appropriate access to care is available;

31 (b) The quantity, location, and specialty distribution of health care  
32 providers is adequate; and

33 (c) Administrative or clinical protocols do not serve to reduce access to  
34 medically necessary treatment for any insured;

35 (4) [Coverage for treatment for chemical dependency shall comply with  
36 sections 376.779, 376.810 to 376.814, and 376.825 to 376.836 and for the purposes  
37 of this subdivision the term "health insurance policy" as used in sections 376.779,  
38 376.810 to 376.814, and 376.825 to 376.836, the term "health insurance policy"  
39 shall include group coverage] **A health benefit plan shall not impose a  
40 nonquantitative treatment limitation with respect to mental health  
41 condition benefits in any classification unless, under the terms of the  
42 plan as written and in operation, any processes, strategies, evidentiary  
43 standards, or other factors used in applying the nonquantitative  
44 treatment limitation to mental health condition benefits in the  
45 classification are comparable to, and are applied no more stringently  
46 than, the processes, strategies, evidentiary standards, or other factors  
47 used in applying the limitation with respect to medical or surgical  
48 benefits in the classification. Nonquantitative treatment limitations  
49 include:**

50 (a) **Medical management standards limiting or excluding benefits  
51 based on medical necessity or medical appropriateness, or based on  
52 whether the treatment is experimental or investigative;**

53 (b) **Formulary design for prescription drugs;**

54 (c) **For plans with multiple network tiers, such as preferred  
55 providers and participating providers, network tier design;**

56 (d) Standards for provider admission to participate in a network,  
57 including reimbursement rates;

58 (e) Plan methods for determining usual, customary, and  
59 reasonable charges;

60 (f) Refusal to pay for higher cost therapies until it can be shown  
61 that a lower cost therapy is not effective;

62 (g) Exclusions based on failure to complete a course of  
63 treatment;

64 (h) Restrictions based on geographic location, facility type,  
65 provider specialty, and other criteria that limit the scope or duration  
66 of benefits for services provided under the plan or coverage;

67 (i) In- and out-of-network geographic limitations;

68 (j) Standards for providing access to out-of-network providers;

69 (k) Limitations on inpatient services for situations when the  
70 participant is a threat to self or others;

71 (l) Exclusions for court-ordered and involuntary holds;

72 (m) Experimental treatment limitations;

73 (n) Service coding;

74 (o) Exclusions for services provided by clinical social workers;

75 and

76 (p) Network adequacy.

77 2. As used in this section, the following terms mean:

78 (1) ["Chemical dependency", the psychological or physiological dependence  
79 upon and abuse of drugs, including alcohol, characterized by drug tolerance or  
80 withdrawal and impairment of social or occupational role functioning or both]

81 "Classification of benefits", the classification in which all mental health  
82 condition benefits and medical or surgical benefits shall be assigned  
83 and include:

84 (a) Inpatient in-network;

85 (b) Inpatient out-of-network;

86 (c) Outpatient in-network;

87 (d) Outpatient out-of-network;

88 (e) Emergency care; and

89 (f) Prescription drugs;

90 (2) "Health benefit plan", the same meaning as such term is defined in  
91 section 376.1350;

92 (3) "Health carrier", the same meaning as such term is defined in section

93 376.1350;

94 (4) "Mental health condition", any condition or disorder defined by  
95 categories listed in the most recent edition of the Diagnostic and Statistical  
96 Manual of Mental Disorders [except for chemical dependency];

97 (5) "Managed care organization", any financing mechanism or system that  
98 manages care delivery for its members or subscribers, including health  
99 maintenance organizations and any other similar health care delivery system or  
100 organization;

101 (6) **"Nonquantitative treatment limitation", any limitation on the**  
102 **scope or duration of treatment that is not expressed numerically;**

103 (7) "Rate, term, or condition", any lifetime or annual payment limits,  
104 deductibles, co-payments, coinsurance, and other cost-sharing requirements,  
105 out-of-pocket limits, visit limits, and any other financial component of a health  
106 benefit plan that affects the insured.

107 3. This section shall not apply to [a health plan or policy that is  
108 individually underwritten or provides such coverage for specific individuals and  
109 members of their families pursuant to section 376.779, sections 376.810 to  
110 376.814, and sections 376.825 to 376.836,] a supplemental insurance policy,  
111 including a life care contract, accident-only policy, specified disease policy,  
112 hospital policy providing a fixed daily benefit only, Medicare supplement policy,  
113 long-term care policy, hospitalization-surgical care policy, short-term major  
114 medical policies of six months or less duration, or any other supplemental policy  
115 as determined by the director of the department of insurance, financial  
116 institutions and professional registration.

117 4. Notwithstanding any other provision of law to the contrary, all health  
118 insurance policies that cover state employees, including the Missouri consolidated  
119 health care plan, shall include coverage for mental [illness] **health**  
120 **conditions**. Multiyear group policies need not comply until the expiration of  
121 their current multiyear term unless the policyholder elects to comply before that  
122 time.

123 5. The provisions of this section shall not be violated if the insurer decides  
124 to apply different limits or exclude entirely from coverage the following:

125 (1) Marital, family, educational, or training services unless medically  
126 necessary and clinically appropriate;

127 (2) Services rendered or billed by a school or halfway house;

128 (3) Care that is custodial in nature;

129 (4) Services and supplies that are not immediately nor clinically  
130 appropriate; or

131 (5) Treatments that are considered experimental.

132 6. The director shall grant a policyholder a waiver from the provisions of  
133 this section if the policyholder demonstrates to the director by actual experience  
134 over any consecutive twenty-four-month period that compliance with this section  
135 has increased the cost of the health insurance policy by an amount that results  
136 in a two percent increase in premium costs to the policyholder. The director shall  
137 promulgate rules establishing a procedure and appropriate standards for making  
138 such a demonstration. Any rule or portion of a rule, as that term is defined in  
139 section 536.010, that is created under the authority delegated in this section shall  
140 become effective only if it complies with and is subject to all of the provisions of  
141 chapter 536 and, if applicable, section 536.028. This section and chapter 536 are  
142 nonseverable and if any of the powers vested with the general assembly pursuant  
143 to chapter 536 to review, to delay the effective date, or to disapprove and annul  
144 a rule are subsequently held unconstitutional, then the grant of rulemaking  
145 authority and any rule proposed or adopted after August 28, 2004, shall be  
146 invalid and void.

Bill ✓

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