

# LEGAL SERVICES

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## MEMORANDUM

February 21, 2011

**SUBJECT:** Insurance coverage for mental health conditions, sectional summary (SB 52 - Work Order No. 27-LS0081\A)

**TO:** Senator Bettye Davis  
Chair of the Senate Health and Social Services Committee  
Attn: Tom Obermeyer

**FROM:** Dennis C. Bailey   
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

**Section 1.** Prohibits a health care insurer from placing a greater financial burden on an insured for the treatment of alcoholism or drug abuse than for other medical care, including limits on payment, deductibles, copayment, or other cost sharing requirements, limits on frequency of treatment, scope of treatment, using different claim payment methods, prenotification requirements, limiting or excluding coverage or services, or denying coverage because treatment was interrupted or not completed. Defines a "health care insurance plan" and "health care insurance."

**Section 2.** Requires health care insurers to provide coverage for treatment of mental health conditions. Requires that health care insurance provisions are applied to the treatment of mental health conditions in the same way as the health care insurance conditions are applied to other medical care.

**Section 3.** is an editorial amendment.

**Section 4.** Removes limitations on mental health benefits from ACHIA high risk plans.

**Section 5.** Removes a 50 percent copayment requirement for mental health services under an ACHIA plan.

**Section 6.** Removes a provision under an ACHIA plan that requires certain expenses for the treatment of mental and nervous conditions be paid at the rate of 50 percent.

**Section 7.** Removes the exclusion for mental services or services for alcohol or drug abuse from the definition of "basic health care services" which applies to health maintenance organizations.

**Section 8.** Changes the definition of medical care and includes mental health care and care for alcoholism and substance abuse in the definition of "medical care" for insurance purposes.

**Section 9.** Repeals the definition of "medical and surgical benefits" applicable to health insurance, which excludes mental health benefits. Repeals the definition of "mental health benefits," which allows the term to be defined in a health care insurance plan, and which excludes treatment of substance abuse or chemical dependency.

**Section 10.** States that the Act applies to insurance issued after the effective date of the Act.

**Section 11.** States an effective date.

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