

SENATE BILL REPORT

SB 6405

As of February 2, 1998

Title: An act relating to establishing utilization review and disclosure standards for outpatient mental health services.

Brief Description: Establishing utilization review and disclosure standards for outpatient mental health services.

Sponsors: Senators Strannigan, Fairley and Winsley.

Brief History:

Committee Activity: Health & Long-Term Care: 2/4/98.

SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

Staff: Jonathan Seib (786-7427)

Background: The term utilization review— is often used to describe a range of managed care cost containment strategies including monitoring a provider's pattern of treatment, determining the medical necessity of certain types or levels of treatment, and evaluating the efficacy, appropriateness or efficiency of certain treatments for certain health conditions. As managed care financing arrangements have come to dominate health insurance, health insurance carriers have begun applying a number of these utilization review strategies, not only to medical services, but also to mental health services. In some cases, managed health carriers are contracting with behavioral health service management companies which specialize in providing utilization review of mental health and related services.

Concerns exist regarding the information used in performing utilization review of outpatient mental health services. There are also concerns that some health carriers offering mental health treatment benefits do not clearly disclose the limitations they place on such treatment.

Summary of Bill: In performing a utilization review or audit of outpatient mental health services, the person performing the review or audit may access only information related to the symptoms, diagnoses, and treatment plans relevant to the mental health diagnosis.

Every health carrier must disclose in any document that describes their covered benefits any mental health services or diagnoses excluded from their coverage that are listed in the diagnostic and statistical manual. In addition, a specific description of how these benefits are managed must be disclosed.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

