

HOUSE BILL REPORT

HB 1460

As Reported by House Committee On:
Health Care & Wellness

Title: An act relating to extending existing mental health parity requirements to individual and small group plans.

Brief Description: Extending existing mental health parity requirements to individual and small group plans.

Sponsors: Representatives Schual-Berke, Hankins, Cody, Campbell, Morrell, Green, Dickerson, Darneille, McDermott, Jarrett, Hudgins, Moeller, Kagi, Rodne, Williams, Ormsby, Haigh, Linville, Wood, Conway, O'Brien, Hasegawa, Santos and Lantz.

Brief History:

Committee Activity:

Health Care & Wellness: 2/12/07, 2/14/07 [DP].

Brief Summary of Bill

- Requires mental health parity in health plans offered in the individual and small group insurance markets.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: Do pass. Signed by 10 members: Representatives Cody, Chair; Morrell, Vice Chair; Hinkle, Ranking Minority Member; Barlow, Campbell, Green, Moeller, Pedersen, Schual-Berke and Seaquist.

Minority Report: Do not pass. Signed by 3 members: Representatives Alexander, Assistant Ranking Minority Member; Condotta and Curtis.

Staff: Dave Knutson (786-7146).

Background:

Currently, commercial insurance policies covering more than 50 employees, state employees, and the Basic Health Plan are required to cover mental health services in a manner equal to coverage for other medical and surgical services. This mental health parity requirement first

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became effective January 1, 2006, with additional phased-in requirements for maximum out-of-pocket limits, and a single deductible in 2008 and 2010, respectively.

Currently, 48 states require some form of mental health parity for insurance coverage of mental health services, or have mental health mandates of some sort. Twenty states, including Washington, provide exemptions for some small groups from mental health parity requirements. In Washington, small group policies are exempt from the required coverage, however insurance carriers are required to offer each small group optional supplemental coverage for mental health treatment.

Summary of Bill:

Effective January 1, 2008, insurance policies issued for all individuals, groups, and the Washington State Health Insurance Pool are required to include coverage for mental health services equal to coverage for other medical and surgical services. The requirement for insurance carriers to offer supplemental coverage to small groups is repealed.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect on January 1, 2008.

Staff Summary of Public Testimony:

(In support) People with a mental illness should be treated the same as people with a physical illness or disability. The small increase in health insurance premiums will be offset by reductions in other publically funded services.

(Opposed) Most mental health treatment is prescription drugs, and they can harm you and keep you dependent. Increased health insurance premiums caused by this new mandate will result in fewer people being able to afford to purchase health coverage.

Persons Testifying: (In support) Randy Revelle, Washington State Coalition for Insurance Parity; Len McComb, Washington State Hospital Association; Sean Corry, Sprague Israel Giles, Incorporated; and Tamera Alkire.

(Opposed) Carole Willey, Holistic Health and Advocacy; Ruth Martin, Citizens' Commission on Human Rights; Nancee Wildermuth, Regence Blue Shield and Pacific Care; and Mel Sorenson, America's Health Insurance Plans and Washington Association of Health Underwriters.

Persons Signed In To Testify But Not Testifying: Gregory Kauffman, Advanced Restoration Company; Bill Daley, Washington Community Action Network; and Jonathan Rosenblum, Service Employees International Union.