

HOUSE BILL REPORT

HB 2339

As Reported by House Committee On:
Health Care & Wellness

Title: An act relating to health coverage for residential treatment.

Brief Description: Addressing health coverage for residential treatment.

Sponsors: Representatives Moeller and Appleton.

Brief History:

Committee Activity:

Health Care & Wellness: 1/12/16, 1/15/16 [DPS].

Brief Summary of Substitute Bill

- Removes the exemption for residential treatment from mental health parity requirements that apply to state-regulated health plans, Public Employees Benefits Board plans, Washington State Health Insurance Pool plans, and the Basic Health Plan.

HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Cody, Chair; Riccelli, Vice Chair; Schmick, Ranking Minority Member; Harris, Assistant Ranking Minority Member; Caldier, DeBolt, Jinkins, Johnson, Moeller, Robinson, Short, Tharinger and Van De Wege.

Staff: Chris Blake (786-7392).

Background:

Federal Mental Health Parity Laws.

The federal Patient Protection and Affordable Care Act requires all health plans to cover mental health and substance use disorder treatment. Federal law also requires that health plans meet certain parity requirements that mental health and substance use disorder services be comparable with medical and surgical benefits. In general, health plans may not establish

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annual or lifetime limits on mental health benefits that are less than the average limit of medical and surgical benefits. In addition, they may not apply financial requirements or treatment limitations to mental health or substance use disorder benefits that are more restrictive than the predominant financial requirements and treatment limitations for medical or surgical benefits in the same classification.

State Mental Health Parity Laws.

State-regulated private insurance plans, Public Employees Benefit Board health plans, Washington State Health Insurance Pool, and the Basic Health Plan must meet minimum coverage standards for mental health services and prescription drugs related to mental health services. For mental health services, the copayment or coinsurance may not be more than that for medical and surgical services. Any deductible included in the plan must allow mental health services to apply toward meeting the deductible requirement. In addition, treatment limitations and financial requirements for mental health services are only allowed if they are the same as imposed on medical and surgical services coverage. For prescription drugs related to mental health services, health plans must offer coverage to the same extent, and under the same terms and conditions as other prescription drugs.

The term "mental health services" means medically necessary outpatient and inpatient services provided to treat mental disorders covered by the most current version of the Diagnostic and Statistical Manual of Mental Disorders. The term expressly excludes several categories, codes, and services. These exclusions include: substance related disorders; life transition problems; skilled nursing facility services, home health care, residential treatment, and custodial care; and court-ordered treatment, unless it is determined to be medically necessary.

The community mental health system identifies "residential services" as generally referring to residences and supports for persons who have an acute or severe mental illness. The services include evaluation and treatment services, acute crisis respite care, long-term adaptive and rehabilitative care, and supervised and supported living services. The term also includes services for persons with a mental illness that are provided in nursing homes, assisted living facilities, and adult family homes, as well as outpatient services that are a part of a package of services in a supported housing model.

Summary of Substitute Bill:

For health plans issued or renewed on or after January 1, 2017, the exemption of residential treatment from the mental health parity requirements that apply to state-regulated health insurance plans, Public Employee Benefits Board plans, Washington State Health Insurance Pool plans, and the Basic Health Plan is removed. The term "mental health services" is broadened by removing the limitation that it only applies to outpatient and inpatient services.

Substitute Bill Compared to Original Bill:

The substitute bill only applies to plans that are issued or renewed on or after January 1, 2017. References to outpatient and inpatient services are removed from the definition of "mental health services."

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) People suffering from mental health conditions can be excluded from residential treatment services and facilities. Without these services people spend time in hospitals or jails or both. This is the compassionate way to deliver care to those with acute forms of mental illness. The state must ensure that insurance companies are providing the most effective treatment for those suffering from mental health issues.

(Opposed) None.

Persons Testifying: Representative Moeller, prime sponsor.

Persons Signed In To Testify But Not Testifying: None.