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Short Title: Mental Health Equitable Coverage.

(Public)

Sponsors:

Referred to:

March 22, 2007

A BILL TO BE ENTITLED

AN ACT TO REQUIRE MANDATORY HEALTH INSURANCE COVERAGE OF CERTAIN MENTAL ILLNESSES AND TO REQUIRE AT LEAST A MINIMUM BENEFIT PACKAGE FOR OTHER MENTAL ILLNESSES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-51-55 reads as rewritten:

"§ 58-51-55. No discrimination against ~~the mentally ill and~~ or ~~chemically dependent.~~ dependent individuals.

(a) Definitions. – As used in this section, the term:

(1) 'Mental illness' has the same meaning as defined in ~~G.S. 122C-3(21); and~~ G.S. 122C-3(21), with a mental disorder defined in the Diagnostic and Statistical Manual of Mental Disorders, DSM-IV, or a subsequent edition published by the American Psychiatric Association, except those mental disorders coded in the DSM-IV or subsequent editions as substance-related disorders (291.0 through 292.9 and 303.0 through 305.9), those coded as sexual dysfunctions not due to organic disease (302.70 through 302.79), and those coded as 'V' codes.

(2) 'Chemical dependency' has the same meaning as defined in ~~G.S. 58-51-50~~ 58-51-50, with a mental disorder defined in the Diagnostic and Statistical Manual of Mental Disorders, DSM-IV, or subsequent editions published by the American Psychiatric Association.

~~with a diagnosis found in the Diagnostic and Statistical Manual of Mental Disorders DSM-3-R or the International Classification of Diseases ICD/9/CM, or a later edition of those manuals.~~

1 (b) Coverage of Physical Illness. – No insurance company licensed in this State
2 under this Chapter shall, solely because an individual to be insured has or had a mental
3 illness or chemical dependency:

- 4 (1) Refuse to issue or deliver to that individual any policy that affords
5 benefits or coverages for any medical treatment or service for physical
6 illness or injury;
7 (2) Have a higher premium rate or charge for physical illness or injury
8 coverages or benefits for that individual; or
9 (3) Reduce physical illness or injury coverages or benefits for that
10 individual.

11 (b1) [Expired October 1, 2001.]

12 (c) ~~Mental Illness or Chemical Dependency Coverage Not Required.~~ – Nothing
13 in this section requires an insurer to offer coverage for ~~mental illness or chemical~~
14 ~~dependency~~, except as provided in G.S. 58-51-50.

15 (d) Applicability. – ~~Subsection (b1) of this~~ This section applies only to group
16 health insurance contracts, other than excepted benefits as defined in G.S. 58-68-25.
17 ~~58-68-25, covering more than 50 employees. The remainder of this section applies only~~
18 ~~to group health insurance contracts covering 20 or more employees.~~ For purposes of this
19 section, "group health insurance contracts" include MEWAs, as defined in
20 G.S. 58-49-30(a).

21 (e) Nothing in this section requires an insurer to cover treatment or studies
22 leading to or in connection with sex changes or modifications and related care."

23 **SECTION 2.** Article 3 of Chapter 58 of the General Statutes is amended by
24 adding the following new section to read:

25 **"§ 58-3-220. Mental illness benefits coverage.**

26 (a) Mental Health Equity Requirement. – Except as provided in subsection (b),
27 an insurer shall provide in each group health benefit plan benefits for the necessary care
28 and treatment of mental illnesses that are no less favorable than benefits for physical
29 illness generally, including application of the same limits. For purposes of this
30 subsection, mental illnesses are as diagnosed and defined in the Diagnostic and
31 Statistical Manual of Mental Disorders, DSM-IV, or a subsequent edition published by
32 the American Psychiatric Association, except those mental disorders coded in the
33 DSM-IV or subsequent edition as substance-related disorders (291.0 through 292.2 and
34 303.0 through 305.9), those coded as sexual dysfunctions not due to organic disease
35 (302.70 through 302.79), and those coded as 'V' codes. For purposes of this subsection,
36 'limits' includes deductibles, coinsurance factors, co-payments, maximum out-of-pocket
37 limits, annual and lifetime dollar limits, and any other dollar limits or fees for covered
38 services.

39 (b) Minimum Required Benefits. – Except as provided in subsection (c), a group
40 health benefit plan may apply durational limits to mental illnesses that differ from
41 durational limits that apply to physical illnesses. A group health benefit plan shall
42 provide at least the following minimum number of office visits and combined inpatient
43 and outpatient days for all mental illnesses and disorders not listed in subsection (c), as
44 diagnosed and defined in the Diagnostic and Statistical Manual of Mental Disorders,

1 DSM-IV, or a subsequent edition published by the American Psychiatric Association,
2 except those mental disorders coded in the DSM-IV or subsequent edition as
3 substance-related disorders (291.0 through 292.2 and 303.0 through 305.9), those coded
4 as sexual dysfunctions not due to organic disease (302.70 through 302.79), and those
5 coded as 'V' codes:

6 (1) Thirty combined inpatient and outpatient days per year.

7 (2) Thirty office visits per year.

8 (c) Durational limits for the following mental illnesses shall be subject to the
9 same limits as benefits for physical illness generally:

10 (1) Bipolar Disorder.

11 (2) Major Depressive Disorder.

12 (3) Obsessive Compulsive Disorder.

13 (4) Paranoid and Other Psychotic Disorder.

14 (5) Schizoaffective Disorder.

15 (6) Schizophrenia.

16 (7) Post-Traumatic Stress Disorder.

17 (8) Anorexia Nervosa.

18 (9) Bulimia.

19 (d) Nothing in this section prevents an insurer from offering a group health
20 benefit plan that provides greater than the minimum required benefits, as set forth in
21 subsection (b).

22 (e) Nothing in this section requires an insurer to cover treatment or studies
23 leading to or in connection with sex changes or modifications and related care.

24 (f) Weighted Average. – If a group health benefit plan contains annual limits,
25 lifetime limits, co-payments, deductibles, or coinsurance only on selected physical
26 illness and injury benefits, and these benefits do not represent substantially all of the
27 physical illness and injury benefits under the group health benefit plan, then the insurer
28 may impose limits on the mental health benefits based on a weighted average of the
29 respective annual, lifetime, co-payment, deductible, or coinsurance limits on the
30 selected physical illness and injury benefits. The weighted average shall be calculated in
31 accordance with rules adopted by the Commissioner.

32 (g) Nothing in this section prevents an insurer from applying utilization review
33 criteria to determine medical necessity as defined in G.S. 58-50-61 as long as it does so
34 in accordance with all requirements for utilization review programs and medical
35 necessity determinations specified in that section, including the offering of an insurer
36 appeal process and, where applicable, health benefit plan external review as provided
37 for in Part 4 of Article 50 of Chapter 58 of the General Statutes.

38 (h) Definitions. – As used in this section:

39 (1) 'Health benefit plan' has the same meaning as in G.S. 58-3-167.

40 (2) 'Insurer' has the same meaning as in G.S. 58-3-167.

41 (3) 'Mental illness' has the same meaning as in G.S. 122C-3(21), with a
42 mental disorder defined in the Diagnostic and Statistical Manual of
43 Mental Disorders, DSM-IV, or subsequent editions published by the
44 American Psychiatric Association, except those mental disorders

1 coded in the DSM-IV or subsequent editions as substance-related
2 disorders (291.0 through 292.9 and 303.0 through 305.9), those coded
3 as sexual dysfunctions not due to organic disease (302.70 through
4 302.79), and those coded as 'V' codes."

5 **SECTION 3.** G.S. 58-65-90 reads as rewritten:

6 **"§ 58-65-90. No discrimination against ~~the mentally ill and~~ or ~~chemically~~**
7 **dependent dependent individuals.**

8 (a) Definitions. – As used in this section, the term:

9 (1) 'Mental illness' has the same meaning as defined in ~~G.S. 122C-3(21);~~
10 ~~and~~ G.S. 122C-3(21), with a mental disorder defined in the Diagnostic
11 and Statistical Manual of Mental Disorders, DSM-IV, or subsequent
12 editions published by the American Psychiatric Association, except
13 those mental disorders coded in the DSM-IV or subsequent editions as
14 substance-related disorders (291.0 through 292.9 and 303.0 through
15 305.9), those coded as sexual dysfunctions not due to organic disease
16 (302.70 through 302.79), and those coded as 'V' codes .

17 (2) 'Chemical dependency' has the same meaning as defined in
18 ~~G.S. 58-65-75~~ 58-65-75, with a mental disorder defined in the
19 Diagnostic and Statistical Manual of Mental Disorders, DSM-IV, or
20 subsequent editions published by the American Psychiatric
21 Association.

22 ~~with a diagnosis found in the Diagnostic and Statistical Manual of Mental Disorders~~
23 ~~DSM 3 R or the International Classification of Diseases ICD/9/CM, or a later edition of~~
24 ~~those manuals.~~

25 (b) Coverage of Physical Illness. – No service corporation governed by this
26 Chapter shall, solely because an individual to be insured has or had a mental illness or
27 chemical dependency:

28 (1) Refuse to issue or deliver to that individual any individual or group
29 subscriber contract in this State that affords benefits or coverage for
30 medical treatment or service for physical illness or injury;

31 (2) Have a higher premium rate or charge for physical illness or injury
32 coverages or benefits for that individual; or

33 (3) Reduce physical illness or injury coverages or benefits for that
34 individual.

35 (b1) [Expired October 1, 2001.]

36 (c) ~~Mental Illness or Chemical Dependency Coverage Not Required.~~ – Nothing
37 in this section requires a service corporation to offer coverage for ~~mental illness or~~
38 chemical dependency, except as provided in G.S. 58-65-75.

39 (d) Applicability. – ~~This Subsection (b1) of this section applies only to subscriber~~
40 group health insurance contracts, other than excepted benefits as defined in
41 G.S. 58-68-25. 58-68-25, covering more than 50 employees. The remainder of this
42 section applies only to group contracts covering 20 or more employees. For purposes of
43 this section, "group health insurance contracts" include MEWAs, as defined in
44 G.S. 58-49-30(a).

1 (e) Nothing in this section requires an insurer to cover treatment or studies
2 leading to or in connection with sex changes or modifications and related care."

3 **SECTION 4.** G.S. 58-67-75 reads as rewritten:

4 "**§ 58-67-75. No discrimination against ~~the~~ mentally ill ~~and~~ or ~~chemically~~
5 dependent ~~dependent~~ individuals.**

6 (a) Definitions. – As used in this section, the term:

7 (1) 'Mental illness' has the same meaning as defined in G.S. 122C-3(21);
8 and G.S. 122C-3(21), with a mental disorder defined in the Diagnostic
9 and Statistical Manual of Mental Disorders, DSM-IV, or subsequent
10 editions published by the American Psychiatric Association, except
11 those mental disorders coded in the DSM-IV or subsequent editions as
12 substance-related disorders (291.0 through 292.9 and 303.0 through
13 305.9), those coded as sexual dysfunctions not due to organic disease
14 (302.70 through 302.79), and those coded as 'V' codes.

15 (2) 'Chemical dependency' has the same meaning as defined in
16 G.S. ~~58-67-70~~ 58-67-70, with a mental disorder defined in the
17 Diagnostic and Statistical Manual of Mental Disorders, DSM-IV, or
18 subsequent editions published by the American Psychiatric
19 Association.

20 ~~with a diagnosis found in the Diagnostic and Statistical Manual of Mental Disorders~~
21 ~~DSM-3-R or the International Classification of Diseases ICD-9-CM, or a later edition of~~
22 ~~those manuals.~~

23 (b) Coverage of Physical Illness. – No health maintenance organization governed
24 by this Chapter shall, solely because an individual has or had a mental illness or
25 chemical dependency:

- 26 (1) Refuse to enroll that individual in any health care plan covering
27 physical illness or injury;
28 (2) Have a higher premium rate or charge for physical illness or injury
29 coverages or benefits for that individual; or
30 (3) Reduce physical illness or injury coverages or benefits for that
31 individual.

32 (b1) [Expired October 1, 2001.]

33 (c) ~~Mental Illness or Chemical Dependency Coverage Not Required.~~ – Nothing
34 in this section requires an HMO to offer coverage for ~~mental illness or~~ chemical
35 dependency, except as provided in G.S. 58-67-70.

36 (d) Applicability. – ~~Subsection (b1) of this~~ This section applies only to group
37 contracts, other than excepted benefits as defined in G.S. ~~58-68-25. 58-68-25, covering~~
38 ~~more than 50 employees. The remainder of this section applies only to group contracts~~
39 ~~covering 20 or more employees. For purposes of this section, "group health insurance~~
40 ~~contracts" include MEWAs, as defined in G.S. 58-49-30(a).~~

41 (e) Nothing in this section requires an insurer to cover treatment or studies
42 leading to or in connection with sex changes or modifications and related care."

43 **SECTION 5.** G.S. 58-50-155 reads as rewritten:

44 "**§ 58-50-155. Standard and basic health care plan coverages.**

1 (a) Notwithstanding G.S. 58-50-125(c), the standard health plan developed and
2 approved under G.S. 58-50-125 shall provide coverage for all of the following:

- 3 (1) Mammograms and pap smears at least equal to the coverage required
4 by G.S. 58-51-57.
- 5 (2) Prostate-specific antigen (PSA) tests or equivalent tests for the
6 presence of prostate cancer at least equal to the coverage required by
7 G.S. 58-51-58.
- 8 (3) Reconstructive breast surgery resulting from a mastectomy at least
9 equal to the coverage required by G.S. 58-51-62.
- 10 (4) For a qualified individual, scientifically proven bone mass
11 measurement for the diagnosis and evaluation of osteoporosis or low
12 bone mass at least equal to the coverage required by G.S. 58-3-174.
- 13 (5) Prescribed contraceptive drugs or devices that prevent pregnancy and
14 that are approved by the United States Food and Drug Administration
15 for use as contraceptives, or outpatient contraceptive services at least
16 equal to the coverage required by G.S. 58-3-178, if the plan covers
17 prescription drugs or devices, or outpatient services, as applicable. The
18 same exceptions and exclusions as are provided under G.S. 58-3-178
19 apply to standard plans developed and approved under G.S. 58-50-125.
- 20 (6) Colorectal cancer examinations and laboratory tests at least equal to
21 the coverage required by G.S. 58-3-179.
- 22 (7) Treatment of mental illness that is at least equal to the coverage
23 required by G.S. 58-3-220. Nothing in this subdivision prevents an
24 insurer from applying utilization review criteria to determine medical
25 necessity as defined in G.S. 58-50-61 as long as it does so in
26 accordance with all requirements for utilization review programs and
27 medical necessity determinations specified in that section, including
28 the offering of an insurer appeal process and, where applicable, health
29 benefit plan external review as provided for in Part 4 of Article 50 of
30 Chapter 58 of the General Statutes.

31 (a1), (a2) Repealed by Session Laws 1999-197, s. 2.

32 (b) Notwithstanding G.S. 58-50-125(c), in developing and approving the plans
33 under G.S. 58-50-125, the Committee and Commissioner shall give due consideration to
34 cost-effective and life-saving health care services and to cost-effective health care
35 providers."

36 **SECTION 6.** This act becomes effective July 1, 2008, and applies to health
37 benefit plans that are delivered, issued for delivery, or renewed on or after that date.
38 For purposes of this act, renewal of a health benefit policy, contract, or plan is presumed
39 to occur on each anniversary of the date on which coverage was first effective on the
40 person or persons covered by the health benefit plan.