

Fiscal Estimate Narratives

DHFS 08/02/2001

LRB Number 01-1399/1	Introduction Number SB-157	Estimate Type Original
Subject Providing health insurance coverage of mental disorders that is the same as coverage of physical conditions		

Assumptions Used in Arriving at Fiscal Estimate

This bill removes the specified minimum amounts of coverage that a group health insurance policy must provide for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems but retains the requirement with respect to providing the coverage. In addition, the bill imposes a new requirement that the coverage under group health benefit plans and self-insured health plans for the treatment of nervous and mental disorders and alcoholism and other drug abuse problems must be the same as the coverage under those plans for the treatment of physical conditions. The bill specifies that if an individual health insurance plan does provide coverage for mental health and AODA treatment, the individual insurance plan must provide the same coverage for that treatment that it provides for the treatment of physical conditions. The bill further specifies that the requirements apply to all coverage-related components, including deductibles; coinsurance; copayments; out-of-pocket limits, or appointment limits, etc.

This bill would affect the Department's Health Insurance Risk Sharing Plan (HIRSP) program. Funding for the HIRSP program is provided by state GPR, policyholder premiums, assessments to the insurance industry, and assessments to health-care providers in the form of provider discounts. Because the level of state GPR support for the program is fixed, policyholders, the insurance industry and health-care providers support any additional cost to the program in a 60/20/20 split, respectively.

The HIRSP program currently provides coverage for mental health and AODA treatment with the following limits: inpatient AODA treatment is limited to 30 days per calendar year; inpatient mental health treatment is limited to 60 days per calendar year; and outpatient AODA and mental health treatment is limited to a total of \$3,000 per calendar year. The proposed bill would force the HIRSP program to remove the limits on the number of days or annual expenditures for these treatments. It is unknown how many additional claims for the specified treatments will be submitted as a result of this proposal. As a result, at this time it is not possible to estimate the fiscal effect of this proposal.

Long-Range Fiscal Implications