



Greg Schwab

## *Bill Analysis*

*Legislative Service Commission*

### **S.B. 88**

125th General Assembly  
(As Introduced)

**Sens. Schuring, Spada, Brady, Dann, Fedor, Fingerhut, Miller**

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#### **BILL SUMMARY**

- Requires sickness and accident insurance policies to provide benefits for the treatment of severe mental illnesses on the same terms and conditions as those applicable to all other diseases and disorders.

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#### **CONTENT AND OPERATION**

##### **Insurance coverage for treatment of severe mental illnesses**

(secs. 3923.28 and 3923.281)

Currently, the Revised Code requires every group policy of sickness and accident insurance providing general health care coverage, including coverage for mental and emotional disorders, to provide an annual minimum benefit of \$550 for the outpatient treatment of mental and emotional disorders. The treatment must be conducted by, or under the clinical supervision of, a licensed physician or psychologist.

The bill requires policies of sickness and accident insurance to provide additional benefits for the diagnosis and treatment of "severe mental illnesses." The bill identifies six disorders as severe mental illnesses, as these disorders are commonly understood by physicians:

1. Schizophrenia;
2. Bipolar disorder, also known as manic-depressive illness;
3. Major depression;
4. Panic disorder;
5. Obsessive compulsive disorder;
6. Schizoaffective disorder.

The bill requires a policy of sickness and accident insurance providing general health care coverage, not limited to the coverage of specific diseases and accidents, to provide benefits for the diagnosis and treatment of severe mental illnesses *on the same terms and conditions as, and no less extensive than,* that provided under the policy for the diagnosis and treatment of all other physical diseases and disorders. This requirement applies to, but is not limited to, inpatient and outpatient services, medication, copayments and deductibles, and maximum lifetime benefits.

The bill's benefit mandate does not apply to sickness and accident insurance policies providing coverage to Medicaid enrollees or providing coverage for worker's compensation claims. For those mental and emotional disorders not identified as "severe mental illnesses" by the bill, the Revised Code will continue to require all group sickness and accident insurance policies that cover such disorders to provide benefits for outpatient treatment at least equal to \$550 annually, as discussed above.

### **Conditions**

Policies are not required to provide equal benefits for the diagnosis and treatment of a severe mental illness unless the severe mental illness has been clinically diagnosed by a licensed physician. The bill only applies to treatments that are both medically necessary and prescribed by a diagnosing physician, and experimental and investigational treatments are specifically exempted from coverage.

### **Insurer may review treatment**

The bill requires a diagnosing or treating physician to provide a sickness and accident insurer, upon request, with information needed to substantiate that a treatment was, and continues to be, medically necessary, or with information that describes a beneficiary's response to treatment. Any review conducted by an insurer of the necessity for, or appropriateness of, a treatment for a severe mental illness must be conducted in a manner consistent with the insurer's review of treatments for other forms of illness and injury.

### **Certain conduct not prohibited by bill**

The bill specifies that it does not prohibit a sickness and accident insurance company from taking any of the following actions:

1. Negotiating separately with mental health care providers with regard to reimbursement rate and delivery of health care services;

2. Offering policies of sickness and accident insurance that provide benefits solely for the diagnosis and treatment of mental illness;

3. Managing the provision of benefits for the treatment of severe mental illnesses through the use of pre-admission screening, by requiring beneficiaries to obtain authorization prior to treatment, or through the use of any other mechanism designed to limit coverage to that treatment deemed to be necessary.

**Health benefit mandate review**

The bill exempts its equal benefit mandate from the review otherwise required by section 3901.71 of the Revised Code. Section 3901.71 of the Revised Code currently requires the Superintendent of Insurance to hold a public hearing to consider any new health benefit mandate contained in a law enacted by the General Assembly. A new mandate may not be applied to policies, contracts, agreements, and plans of insurance until the Superintendent determines that the mandate can be applied fully and equally to self-insured employee benefit plans subject to regulation by the federal Employee Retirement Income Security Act of 1974 (ERISA). ERISA generally precludes state regulation of benefits offered by private, self-insured plans.

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**HISTORY**

ACTION	DATE	JOURNAL ENTRY
Introduced	05-15-03	p. 346

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