

SESSION OF 2009

SUPPLEMENTAL NOTE ON SENATE BILL NO. 49

As Recommended by Senate Committee on
Financial Institutions and Insurance

Brief*

SB 49 would amend provisions in the Kansas Mental Health Parity Act to require health insurance policies, on and after November 1, 2009, to provide the same benefits for the treatment of alcoholism, drug abuse or other substance use disorder as are provided for mental illness (mental health). The alcoholism, drug abuse, or other substance use disorder benefit would include the same deductibles, copayments, coinsurance, out-of-pocket expenses and other limitations as they apply to other covered services. The coverage, as specified in current law and updated by an amendment in the bill, would include coverage for not less than 45 days of in-patient care for mental illness and for 45 days for out-patient care for mental illness. These coverage provisions would not apply to group policies if there is an increase in the cost under the plan of at least 2.0 percent in the first plan year and 1.0 percent each subsequent plan year. (The limitation for application of group policies and cost increases had been an increase of one percent under existing law).

The bill would define "alcoholism, drug abuse or substance use disorder benefits" to mean the "benefits with respect to services for the treatment of alcoholism, drug abuse or other substance use disorders, as defined under the terms of the policy."

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Background

The bill was requested by the Kansas Insurance Department whose representative indicated the bill was introduced to reconcile certain provisions relating to insurance coverage for mental illness and mental health benefits in Kansas law with certain provisions of the federal HR 1424, the Wellstone and Domenici Mental Health Parity Act. Proponents appearing in support of the bill were the Association of Community and Mental Health Centers, the Kansas Association of Addiction Professionals, the Kansas Mental Health Coalition, the National Association on Mental Illness - Kansas, and a private citizen who stated concerns about mental health policies and procedures in Kansas. Those appearing in support of the bill provided testimony, in general, supporting full parity in mental health coverage. Written testimony in support of the bill was provided by representatives of the Kansas State Nurses Association. Written opposition testimony was submitted by the Kansas Chamber whose representative stated that as with other mandates, the Chamber bases its opposition to this legislation on the financial impact that additional mandates have on the market and therefore the consumer.

The fiscal note prepared by the Division of the Budget states that the Kansas Insurance Department would be required to review and approve all policies that are required to contain this coverage to assume compliance with federal requirements within the Wellstone and Domenici Mental Health Parity Act (HR 1424). The Department states that the bill could be implemented within existing budget and staffing resources. The Kansas Health Policy Authority (KHPA) indicates the federal requirements of HR 1424 will be applied to the State Employee Health Plan beginning in January 2010, which will have a greater fiscal effect than the requirements of SB 49. The KHPA states the agency would implement the bill within existing staff and resources.